The LISTERINE people want you to try their new, cooler Shaving Cream

15 SHAVES FREE

Listerine Shaving Cream in the giant tube lathers even with ice water

It takes nerve to enter the shaving cream field today; competition is fierce; a cream must be exceptional or fail automatically.

We entered it with Listerine Shaving Cream. We want you to believe as we believe that no cream at any price can offer so much shaving comfort. The only way that you can be the judge is to try the cream itself—at our expense. We therefore offer you a tube containing 15 free shaves.

Already nearly 500,000 men have switched from former favorites to Listerine Shaving Cream. In every case a trial tube convinced them of its outstanding superiority. You, too, will discover it. There's simply no getting away from it.

When you get your trial tube of Listerine Shaving C[redacted] note how quickly it lathers . . . with brush or without. [redacted] water, warm water, cold water—even ice water.

Note how that balmy, satin-like lather l[redacted]s—does not dry, harden, or "fall down"; thick, creamy, soothing, at all times.

Be on the lookout, too, for that delightfully cool, fresh feeling that this unusual cream imparts to the skin; no redness, no rawness, no burning.

See how little of it you have to use to get the perfect shave.

Lastly, bear in mind that the regular size tube contains 104 shaves and sells for 25¢. That's the common sense price for a quality product. To pay more is folly.

LISTERINE SHAVING CREAM

25¢

Clip coupon NOW

Lambert Pharmacal Company, Dept. O8S, St. Louis, Mo.

Gentlemen: Below is my name and address. Please send me, free and postpaid, your large sample tube of Listerine Shaving Cream.

Name_____

Street_____

City_____ State_____

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Learn to be **Charming**

A BOOKLET
"The Smart Point of View"
WITHOUT COST

MARGERY WILSON

America's authority on charm. Personal adviser to eminent women of society, stage and business. Pioneer in the modern interpretation of Charm as a tangible, teachable principle.

HOW much Charm have you? Just what impression *do* you make? Grade yourself with Margery Wilson's "Charm-Test." This interesting self-analysis chart reveals your various personal qualities by which others judge you. The "Charm-Test," together with Miss Wilson's booklet, "The Smart Point of View," will be sent to you without cost or obligation. This offer is made to acquaint you with the effectiveness of Margery Wilson's personalized training by correspondence.

A Finishing School at Home

In your own home, under the sympathetic guidance of this distinguished teacher, you learn the art of exquisite self-expression—how to walk, how to talk, how to acquire poise and presence, how to project your personality effectively—to enhance your appeal. Margery Wilson makes tangible the elusive elements of Charm and gives you social ease, charming manners, finish, grace—the smart point of view.

Distinguished Tributes

NORMA SHEARER *writes:* "To capture the elusive spirit of Charm and analyze it for personal cultivation, as you have done, is indeed a boon to all who wish to enhance their power."

RUTH CHATTERTON *writes:* "Margery Wilson's Charm is all that the title implies and more."

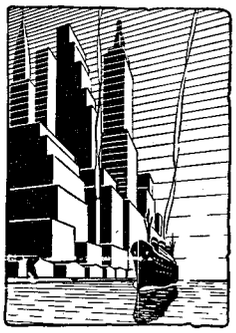
MARY PICKFORD *writes:* "You are dealing with a subject close to every woman's heart and you have handled it delightfully."

RUPERT HUGHES *writes:* "You have solved the true mysteries of Charm. People who will follow your advice will have charm and enjoy its mystic powers."

To receive the Booklet and the "Charm-Test" write to

MARGERY WILSON
1148 FIFTH AVENUE,. 42-H,. NEW YORK, N. Y.

Occupations—
Today and Tomorrow
By Berta Crone



AT THE END OF JUNE, according to the most reliable sources of information, business activity reached the highest level it had been to in two years. A slight recession was noted the early part of July but, allowing for it, business conditions continue to show an improvement over the corresponding periods of 1931 and 1932. Industrial workers will naturally be the first ones to secure work as a result of this renewal of industrial activity. The American Federation of Labor reported in June that about a million workers had obtained work between April 30 and June 1. In June and July both wages and salaries were increased in a number of eastern organizations, the increases ranging from 5 to 10 per cent. The General Electric Company increased the wages of 50,000 workers 5 per cent. The General Tire & Rubber Company increased its plant-working schedule to full time, at the same time increasing both salaries and wages 10 per cent. The Morris Plan Company, an industrial banking corporation in the east, increased the salaries of 40 per cent of its employees, all in the lower salary group by 5 per cent. Isolated cases of individual increases in salaries among professional workers have been reported to the writer. Though the general situation seems to be improving, many fields are feeling the effects of the prolonged business slump now more than they have before. For instance, insurance companies, transportation organizations, and travel services, some of which are having to reduce salaries and personnel.

Increases in wages and salaries and re-employment, even such as they are, necessarily bring about an increased demand for services and goods. Restored purchasing power of the newly employed industrial workers should help to sustain the revival which seems now definitely under way.

The branches of business organizations responsible for the selling activities of the manufacturer, the wholesaler, and the retailer should be watched closely by the professional worker. For, if business activity continues its present upward trend and to spread over a wider area, occupational opportunities for the professional worker qualified to engage in one phase or another of the many divisions of selling, should also increase. Sales promotion, selling, advertising, trade and business journals, news services, and all publishing activities depending for their revenue upon advertising, are busier, and will ultimately be called upon to tell the new story of commodities and prices to the wholesaler, the dealer, and the individual consumer.

●

Selling and Sales Promotion

Since 1929 selling methods have been tempered to the shorn lamb. The kind of selling which merely stresses goods and price is no longer effective. People, less spendthrift than they were in 1929, have become conservative in their buying habits. Service, quality, and price are serious considerations. Hence the keynote of selling today, whether it be in volume, or of a single article or service, must be information and service. Business organizations will use new methods, or adapt old ones, in order to regain the confidence of the potential consumer. The wants of the consumer, not the sale of the article, will be stressed. Many business organizations are thus experimenting with new methods of selling. "Specialty" and educational promotion, as one type of selling is called, is being done, and will be done more and more. This method will tax the resourcefulness and, at the same time, give scope to the imagination and ingenuity of the younger professional worker more than the direct selling methods of other days did. For instance, the motion picture and the slide are being used to demonstrate the quality and the use of manufactured products.

Professional workers will profit by cultivating in themselves the experimental attitude toward selling

NEW OUTLOOK, *August*, 1933. Volume 162. Number 2. *Published monthly by Outlook Publishing Co., Inc., 515 Madison Ave., New York, N. Y. Yearly subscription $3. Entered as second class matter October 7, 1932, at the Post Office, New York, N. Y., under act of March 3, 1879.*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Coming !

...a beer that has never been hurried !

ON August third Northern New Jersey will have the first taste of beer from the great Feigenspan brewery in Newark. Only then will the first brew from this famous brewery have rounded out the full old-time lagering period that Feigenspan insisted upon before a drop of beer could be sold.

Slowly, deliberately, as more and more beer is brewed and reaches maturity, wider and wider markets will be reached. Others besides our neighbors will discover Feigenspan's P.O.N. Beer—sniff its mellow hop aroma, eye its crystal clear color, its creamy collar of long-living foam—then *taste* its velvety, full-bodied richness. And exclaim—"This is *real* Beer!"

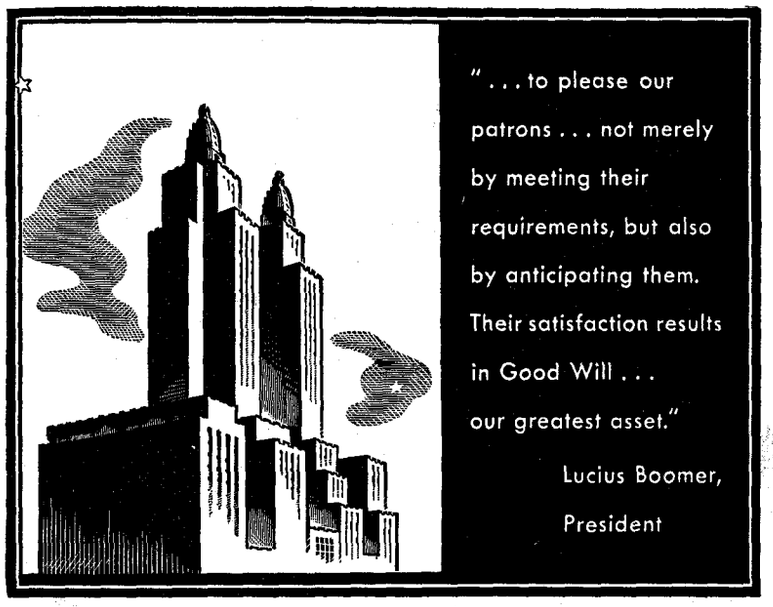
Watch for the return of Feigenspan P.O.N. Beer

For 14 dry years this famous old P. O. N. sign blazed over silent breweries in expectation of beer's return. And for 14 years Feigenspan's skilled brew master and brewing key men were kept on the payroll—waiting.

FEIGENSPAN P.O.N. BEER

• AGED AS IT WAS IN THE OLD DAYS •

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Waldorf hospitality . . . by-word of distinguished guests since the nineties. You, the individual . . . your personal preferences and desires . . . dictate every phase of service. This . . . perhaps more than its size, its prestige, its perfect appointments . . . sets The Waldorf-Astoria apart among hotels.

THE WALDORF ASTORIA

• PARK AVENUE • 49TH TO 50TH STS • NEW YORK •

Read the vacation suggestions on page 62. It may help you decide where to go this Summer for your vacation.

MUNSON New Low Cost All Expense TOURS

SOUTH AMERICA

41 DAYS
TOURIST $348
First Class $540

ALL EXPENSES INCLUDED . . . 5 days in Brazil including Rio de Janeiro, Santos and Sao Paulo, 1 day at Montevideo and 4 days at Buenos Aires.

OR you can take a tour of 55 days including the Cruise above plus 2 extra weeks in beautiful Rio, north bound. Hotel (American plan) included. Tourist Cabin $385, First Class $649.

12,000 miles of cruising on the largest and fastest ships to South America, the luxurious 21,000 ton liners American Legion, Western World, or Southern Cross. Large, comfortable, airy, outside rooms . . . superior cuisine. To Brazil, Uruguay, Argentina, Bermuda and Trinidad. Sight-seeing trips included at all ports except Bermuda. Special tours available for sailings of August 5th, 19th; in connection with the regular fortnightly service from New York.

Fine weather at sea (a ten year average shows better than 92% fair weather). Cooling trade winds make the trip comfortable at all times, even crossing the Equator.

For further information see local tourist agent or write

MUNSON S. S. LINES 67 Wall Street, New York, N. Y. BOwling Green 9-3300

methods, and they may be able thus to discover better methods of selling merchandise and service than those that were in use in the past. Old methods were obnoxious alike to the salesman and the purchaser. The new salesman has to find new ways of attracting the prospective purchaser's attention and of holding it while he expatiates on the qualities and merits of what he wants to sell.

Advertising

The highbrow among selling activities is advertising. Advertising is called "creative selling." The conception, planning, and execution of advertising have within the last three decades become both a science and an art. Primarily they are intended to create wants. The American Association of Advertising Agencies defines the service of the agency: (It) . . . "consists of interpreting to the public, or that part of it which it is desired to reach, the advantages of a product, or service." Advertising is the instrument of the manufacturer, the dealer, and the retailer, through which he seeks to secure the attention of the prospective purchaser. It is the pathfinder for the ultimate sale of products and services. Millions of dollars are spent yearly in advertising. Magazines, newspapers, motion pictures, radio broadcasting, and trade journals are the principal media through which advertisers compete for the consumer's attention. Advertising departments are maintained by department stores, specialty shops, manufacturer's, and dealers to create selling ideas and to sell service. More than 16,000 advertisers of products, institutions, or services used the services of advertising agencies in 1932 we learn from a recently published study of Advertising Agency Compensation by James W. Young, professor of Business History and Advertising at the University of Chicago. In the same year, he goes on to report, some 2,000 local and national advertising agencies were serving these advertisers in the United States. Magazines, newspapers, and trade journals, a large part of the revenue of which is derived from advertising, maintain advertising departments. National radio broadcasting stations, the bulk of revenue of which depends upon national advertisers, sell more than 95 per cent of the air time thus used through advertising agencies, according to Mr. Young's report.

(*Continued on page* 61)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Traveling with the News

SOUTH AMERICA

When Carlos Davila, former Provisional President of Chile, writing in this issue of New Outlook indicates a new sphere for American trade activities, he also calls attention to new opportunities for travel.

When it comes to scenery it would be difficult to find more spectacular vistas than are presented by the three Cordilleras of the Andes, or excursions more thrilling than the "roller-coaster" trip on the amazing railroad which ascends the three-mile-high mountains behind Lima. In Switzerland there is nothing to surpass the sky-scraping volcanoes and mountains, seemingly bottomless caverns, roaring waterfalls, mighty forests and lovely lakes that are found in the Chilean Lake District; and in darkest Africa jungles are scarcely more riotous or wild than those along the Amazon. As for exotic native life there are Indians known as Aucas dwelling in the unexplored jungles in South America with whom the outside world has as yet made no direct contact.

In Ecuador are aboriginal tribes of head-hunters who still have a propensity for shrinking heads, although they are surprisingly hospitable to all "white foreigners" who treat them with ordinary respect. In the mountains of Peru and Bolivia, particularly in the fantastic Indian city of La Paz, the world's highest capital, are Aymara and Quechua Indians living in the primitive style of their ancestors who were under the rule of the Incas hundreds of years ago.

South America is a veritable treasure-house for travelers interested in archaeology. Up in the highlands of Peru lies Cuzco where, in 110 A. D. the Inca rulers established their glittering capital and reared a temple to the sun which, legend has it, boasted roofs and doors and gardens of gold. Overlooking the present city of Cuzco which has been superimposed upon ruins of the palaces and pagan temples of the ancient capital, is the mighty fortress of Sacsahuaman as cyclopean as the Great Wall of China, as baffling as the Sphinx and Pyramids of Gizeh. The Inca and pre-Inca ruins centered around Cuzco and Lake Titicaca, and the comparatively recently discovered ruins of Macchu Picchu have been the subject of as much study and the scene of as wonderful discoveries as the ruins that have attracted expeditions to the Nile for so many centuries. Many of the great cities of these countries were thriving havens of commerce a half a century before our Pilgrims set foot on Plymouth Rock.

On the northeast coast one first touches Colombia with its seaports of Cartagena and Baranquilla, while six hundred and fifty miles inland on the Andes Plateau is situated Bogota, the picturesque capital. Incidentally, the first successful air line in the world was the one started in 1921 from Baranquilla to Bogota. This reduced travel time from ten days to eight hours. The proud boast of this line is that in twelve years operation of this route, they have never had a fatal accident to passengers.

Below Colombia is Venezuela, probably the one large country in the world that has no foreign debt. Under the long and successful administration of its president, Gen. Juan Vincente Gomez, Venzuela has moved rapidly forward. Hundreds of miles of excellent roads have been built and the marvelous drive up from the seaport of La Guira to the capital of Caracas is a never-ending source of delight to the traveler.

Sprawled out over a major portion of South America lies that great republic, the United States of Brazil. Brazil in itself is larger than all the United States of America. Its capital, Rio de Janeiro, is often called the world's loveliest city. Here the traveler is welcomed by a display of scenic beauty unsurpassed the world over. The magnificence of its famous harbor makes the trip to Rio worth while in itself. This great stretch of landlocked water is large enough to offer safe anchorage to the fleets of all the world at one time. Jutting straight up from the water are the beautiful Pinnacles of Corcovado and Sugar Loaf Mountain.

The "old quarter" of Rio is reminiscent of Don Pedro and his Portuguese henchmen. Here is a bit of old Portugal, basking in the brilliant sunshine of the most temperate climate of the world. Stucco houses are softened with the wash of lovely color.

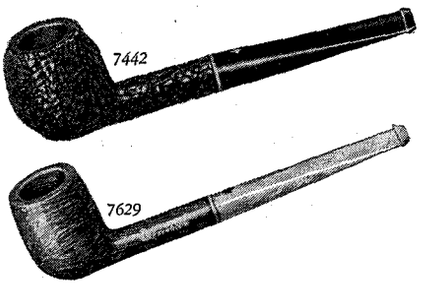
Modern Rio, a city of a million and one half inhabitants, has attained a

(*Continued on page* 63)

THE BEST SMOKING PIPE IN THE WORLD

NEW

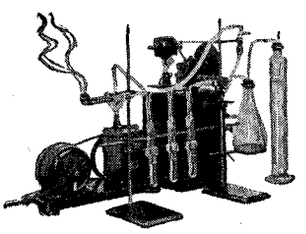
Drinkless KAYWOODIE



51% PURER SMOKE BETTER TASTE

Prominent University scientists prove it after testing all the world's best known pipes

on the absolutely accurate Jensen Smoke tester*



● **51% purer smoke—51% better taste** from your tobacco—proved by more than 410 tests—proof why two million smokers have bought Drinkless Kaywoodie. Scientific research, precision workmanship, finest briar, the new Drinkless attachment, these are the secret of proper combustion. Learn what it means to you in pleasure. Get a new Drinkless Kaywoodie, today. *You want the best smoking pipe in the world.*

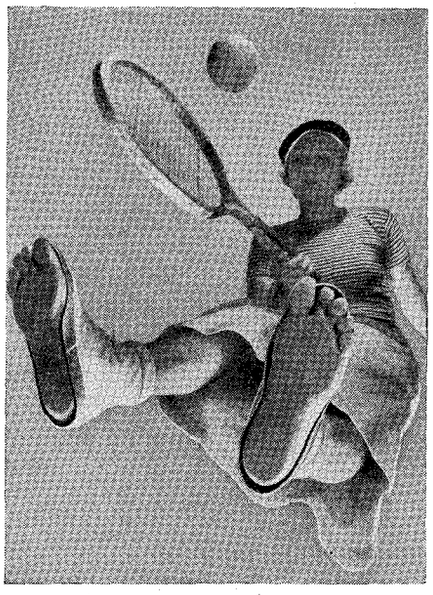
***Facts supplied on request*

Send for complete information about the new Drinkless Kaywoodie and the world's most beautiful catalog of pipes in full colors. Enclose 10c for mailing.

$3.50

Dept. N1, *Kaufmann Bros. & Bondy, Inc., Empire State Building, New York City. Established 1851*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



She was a whirlwind on the tennis court ...BUT ASHAMED TO GET OUT ON THE BEACH

THERE'S something shocking to romance, something indelicate, almost indecent, about having even a mild attack of "Athlete's Foot."

That was the thought that haunted her. The most popular girl on the tennis court or in the ballroom, she refused to go on the beach. She shrank from the thought of having anyone see those peeling blisters, that unnatural whiteness, that unpleasant moistness between her toes.

Danger signals—watch for them Use Absorbine Jr.

You may have the first symptoms of "Athlete's Foot" and not know what it is. Examine the skin between your toes. Moist, red skin, itching cracks, dead-white peeling skin—all these symptoms call for immediate application of Absorbine Jr., morning and night.

Laboratory and clinical tests demonstrate that soothing, healing Absorbine Jr. quickly kills the germ of "Athlete's Foot" when reached, without harming delicate tissues.

But don't stop when you get relief. Avoid the constant risk of re-infection. In hotel bathrooms, in showers and locker-rooms—even in your own spotless bathroom, this sturdy germ lurks and attacks bare feet. Even your socks must be *boiled* 15 minutes to kill this germ. *Keep on using Absorbine Jr. as a wise precaution.* At all druggists, $1.25. For free sample, write W. F. Young, Inc., 232 Lyman St., Springfield, Mass. *In Canada:* Lyman Building, Montreal.

ABSORBINE JR.

For years has relieved sore muscles, bruises, cuts, aches, burns, sprains, sunburn, sleeplessness

Checklist of New Ideas

ON NO TRUMPS

My husband often says that a well-bid no-trump hand has just as much beauty as the finest Gothic cathedral. Perhaps this statement does show slight use of poetic license, but accurate inferences, conveyed through a series of bids, have an intellectual beauty of their own—perhaps not cathedral-like in character, but certainly a source of great inward satisfaction to the maker. —*Mrs. Ely Culbertson.*

ON SUCCESS

Success in life depends entirely on whether you know how to handle your own publicity. You have got to sell yourself, your wife and your children to the world.—*Ely Culbertson—in Paris.*

ON WHAT HELPS THE HUMAN RACE

History can show that the successful races have been, and are, the mixed races. Mixture helps the human race. —*Arthur Brisbane.*

ON FLYING AROUND THE WORLD—SOLO

He (Wiley Post) told me he wasn't making any daredevil flight.—*Fay Gillis, Aviatrix.*

ON SAFETY

The world must be made safe for prosperity.—*Dr. Wallace McClure, former economic adviser to Dept. of State.*

ON SHAKESPEARE

I wish to conclude that no worm fisherman could have written Hamlet. —*W. O. McGeehan, Sports Writer.*

ON ETHIOPIAN HELP

Quite a large number of slaves have been freed in the last few years, and things seem to be progressing nicely. —*Prince Desta Demtu, Son-in-law of the Lord King of Kings of Ethiopia.*

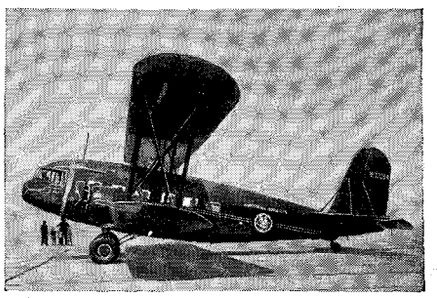
ON THE AMERICAN LABORER

Facing the truth, we must admit that individualism and permission to plan for himself do not get the American workman very far. Psychiatrists tell us a large number have the mental age of twelve years and cannot plan beyond the present. Millions have an earning power so little above minimum standards of decency that saving is impossible and those who did save invested in stocks or put their money in banks.—*Levina Engle, Member, Maryland Legislature.*

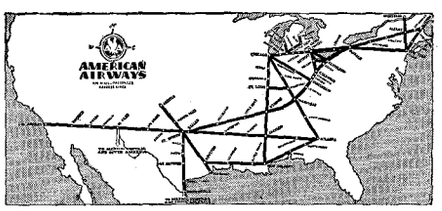
We Must Fly

to compete in the race for business today

A rapidly increasing number of people are taking advantage of the way American Airways reduces distance and enables them to accomplish a great deal more in a great deal less time. You, too, can profit from the service of American Airways lines from Coast to Coast and from Canada to Mexico. American Airways employs the finest equipment and the best trained personnel. All planes are equipped with two-way radio telephone and radio beacon receiver. Cool in summer, comfortably heated in winter.



AMERICAN AIRWAYS



SHIP BY GENERAL AIR EXPRESS

Use Air Express to speed up your business. It takes only about one-third the time of fastest competing ground express.

Reservations: Western Union, Postal Telegraph, Hotel Porters or Travel Bureaus.

AMERICAN AIRWAYS, CHICAGO

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW
OUTLOOK

ALFRED E. SMITH
Editor-in-Chief

FRANCIS WALTON
Managing Editor

CONTENTS FOR AUGUST, 1933

On the Way to Repeal	Alfred E. Smith	9
Sweet Land of Lunacy	Edward Angly	13
Coming Storm Over Alaska	Trumbull White	16
Burn Your Own Home!	Paul W. Kearney	22
Our New Masters—the Trade Associations	Reavis Cox	25
The Skin-Deep Game	Charles M. Bayer	30
Shall We Have Continental Economics?	Carlos Davila	33
Little Economic Man, Why Not?	Joel Sayre	37
The Follies of Radio	Allen Raymond	38
Economic War Reports	E. H. Collins	42
To See or Not to See	Cy Caldwell	44
The Plague of Vice-Presidents	H. A. Batten	46
American Independence—New Style	Henry Carter	50
Outlook Book Choice of the Month	Robert Cantwell	55
Talk of the Nation		56
Occupations—Today and Tomorrow	Berta Crone	2
Traveling With the News		5
Checklist of New Ideas		8

VOLUME 162 NUMBER 2

NEW OUTLOOK IS PUBLISHED MONTHLY BY OUTLOOK PUBLISHING COMPANY, INC., FRANK A. TICHENOR, PRESIDENT; J. H. GERHARDT, SECRETARY AND TREASURER. PUBLICATION AND BUSINESS OFFICE, 515 MADISON AVENUE, NEW YORK CITY. WASHINGTON OFFICE, NATIONAL PRESS BLDG., WASHINGTON, D. C. YEARLY SUBSCRIPTION, $3.00. COPYRIGHT, 1933, BY OUTLOOK PUBLISHING COMPANY, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Only a STRAIGHT EIGHT can give Straight Eight PERFORMANCE!

"I like Pontiac because I want Straight Eight performance—not something just as good."

"I like safety and comfort, and these hot days, believe me, I prize Pontiac's Fisher Controlled Ventilation."

"I don't want cheapness, but I want a real automobile and I want practical economy. Pontiac gives me just that."

"A car is a business necessity for me. Pontiac meets my first need because it lasts, stands up and delivers."

"Pontiac not only performs like a truly modern car—it looks the part, and I'm proud of it."

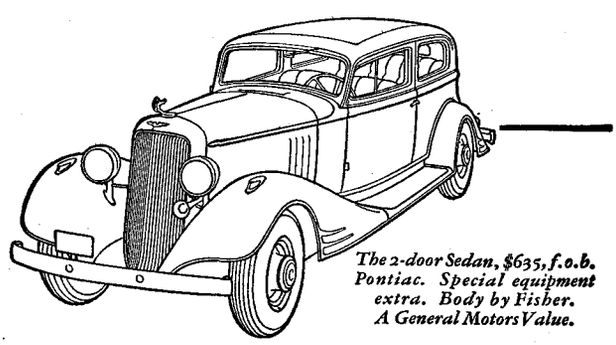
"I've been used to costly cars, but I must say my Pontiac gives me everything I could want—and gives it economically."

PONTIAC—the Economy Straight Eight—is one of the outstanding successes of the year. It is showing the way to big-car comfort and Straight Eight performance at low price and with operating economy. Pontiac's 77-horsepower Straight Eight engine gives 78 real miles per hour. And don't forget that only a Straight Eight can give Straight Eight performance.

Pontiac is the Economy Straight Eight. Ask any Pontiac owner—and you'll find it is giving 15 miles or more to the gallon—and gives that not only for a few thousands of miles, but for many thousands after you'd expect it to show signs of wear.

One of Pontiac's outstanding features is *Fisher Controlled Ventilation.* Many say no car can be considered modern without it.

Try a demonstration. Let Pontiac itself convince you that it has no equal at or near its price.



The 2-door Sedan, $635, f.o.b. Pontiac. Special equipment extra. Body by Fisher. A General Motors Value.

Ask your dealer for a copy of the booklet, "What do you mean—Balanced Value." It is free.

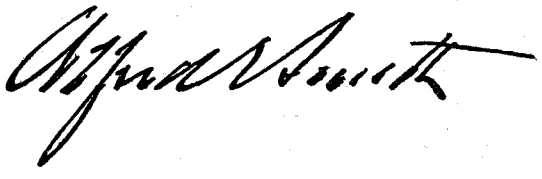
Visit the General Motors Building Century of Progress

PONTIAC THE ECONOMY STRAIGHT EIGHT $585 AND UP F.O.B. PONTIAC EASY G.M.A.C. TERMS

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW
OUTLOOK

ON THE WAY TO REPEAL



OVER one third of the states of the union by popular vote already have approved the repeal amendment. It begins to look as though repeal may be adopted by the time the snow flies.

I regard it as one of the greatest honors that have ever come to me to have presided recently over the New York State Convention called for the sole purpose of reconsidering and repealing the vote by which, in the same legislative halls at Albany, the 18th Amendment was ratified by this state in 1919. It must have been an equally happy occasion for many others there, and especially for the vice-chairman of the convention, my old associate, Jim Wadsworth, whose party left him to follow false prophets on this very issue, and who is now, through his unwavering courage and independence, restored to useful public life.

I have no desire to sound a partisan note in these columns, but I cannot refrain from emphasizing a great political moral to be learned from the progress of repeal. There could be no better evidence of the wisdom of complete honesty, frankness and boldness in politics than the action of the last Democratic national convention in advocating an honest, unequivocal pledge on this subject. There were plenty of equally honest Republican wets, but when the whip was cracked by the last Administration, they were not in the majority, whatever their personal convictions may have been. If, therefore, there is any political credit to be derived from the overwhelming popular endorsement of repeal to date, it must go to the party which took the responsibility for advocating it, but the big lesson is that political honesty, like all other honesty, is the best policy in the long run.

It has always been my contention, emphatically stated in the telegram which I sent to the Democratic Convention of 1928 immediately after my nomination, that a dry party could not survive in this country when the extreme high tide of fanaticism which deposited the 18th Amendment, with all its wreckage and garbage on our shores, finally receded. The victims of this wave of reform were numerous, but those who had the courage of their convictions have in the end proved to be the real victors.

What has brought about the amazing majority for repeal? At the head of the list of reasons is one which is implied above in connection with the New York State Convention—namely, the fact that earlier prohibition polls, and especially the votes of state and national legislatures in adopting the 18th Amendment and the statutes to enforce it, were not truly representative. These legislative bodies were not selected solely, or even primarily, on this issue. Moreover, in most of the states the legislatures represent acreage and not population. Cities are discriminated against in determining senate and assembly districts. Whatever argument there may be for some consideration of acres of open country as

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

against square blocks of brick houses in apportioning legislative membership, there is absolutely no argument for such discrimination when it comes to deciding constitutional amendments affecting the daily habits of our people.

I have repeatedly stated that in New York State and a number of others, there never was at any time an actual, honest majority in favor of national prohibition. In numerous instances legislators in Washington and in the state capitals voted dry in the face of the fact that they were wet personally and that the majority of their constituents were wet, simply because a powerful and fanatical minority was organized and spent time and money to defeat the will of the majority. No honest man in public life can successfully deny this fact.

The returns from the several states in which elections to conventions have taken place all indicate that the drys are in the majority only in the less populated counties and districts. In New Jersey, for example, where there were district delegates as well as delegates at large, two drys were elected out of a total of 326 members of the convention. These two drys came from large, sparsely populated counties. Substantially the same thing happened in Illinois and in Indiana. In New York, only six counties out of sixty-two showed a dry majority. These were the counties of much acreage and few people, where lost causes have their last stronghold, and where liberal ideas meet with a chilly reception. Districts such as these count for little in today's conventions, but they actually controlled the legislatures which decreed prohibition in the past.

This brings me to another factor in the impending repeal of prohibition. Sensible people throughout the country were completely taken by surprise when prohibition was declared adopted in 1919. They were so stunned that they did not recover their senses for several years; then they began to organize; they began to fight back. Sensible women who had been misled by the dry slogan that all good women must be for drastic enforcement of the 18th Amendment began to realize that they were supporting a movement more dangerous to the home, more harmful to children, more threatening to future generations, than anything else in American life. When the ideas of the fanatics began to lose their hold upon the women of the country, when courageous women like Mrs. Sabin risked public condemnation by attacking the whole theory of the 18th Amendment, the drys who had had everything their own way were put on the defensive. When women entered the fight for repeal, sanity began to return to the country. The 1928 national campaign and the use by the drys of their power over their President, disgusted decent people all over the country. In the meantime, the real brains of the dry cause passed out of the picture with the death of Wayne Wheeler, and nothing could go farther to show the moral rout of the dry forces in the recent convention campaigns than the use by them of old discredited political hacks such as Bishop Cannon.

There is still another factor in the repeal sentiment which is sweeping the country, and that is the economic situation. It has at last dawned upon the average taxpayer, the so-called man in the street, and on the farm, that one of the most important sources of revenue which he has carelessly kicked away from him is the revenue from taxes on the sale of liquor. He has finally waked up to the fact that he has been paying the bills, while the bootlegger has been collecting the revenues which ought to go to the government. The legalizing of beer proved that the drys had lied, not only about the return of drunkenness, but also about the revenues which would follow the reopening of the breweries. The voters now realize that it is better to balance the budget by repealing the 18th Amendment than by adopting new, burdensome taxes.

Finally there is a reason for repeal which a great mass of voters have been slow to understand, but which they have finally grasped in its full significance. It is the most basic, fundamental and controlling argument of them all. It is the fact that neither through its constitution nor its laws should the Federal government be allowed to interfere with the daily habits of millions of people scattered over a great continent, with all sorts of traditions and habits handed down from countless generations of ancestors, and living under widely different conditions. Elihu Root, the Honorary President of the recent New York conven-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion, speaking with great fervor and with all the weight of his long years of experience, said that the 18th Amendment was a mistake because it not only violated all constitutional theories of states' rights, but also sought to legislate morality into people from without when it must come by self-restraint from within.

The 18th Amendment is against the whole spirit of our Constitution as it has been handed down to us. It is contrary to every principle upon which this government was established. There are only a limited number of things which any government can do well. It was the recognition of this fact which led the framers of our Federal constitution to provide that all powers, not specifically delegated to the United States nor prohibited by it to the states, are reserved to the states respectively, or to the people.

The voters of our Republic had a healthy skepticism about entrusting too much authority to any central government. They could not forget that their ancestors came here to enjoy freedom and to escape the tyranny of kings and governments abroad, and they sought in the Federal constitution to guarantee that freedom to their descendants and to all those who should come to these shores for all time. The adoption of the 18th Amendment destroyed every principle on which our Constitution was supposed to rest. It invaded a field which belonged exclusively to the states and to the people. It allowed a minority to impose a moral code of its own upon the majority. It set up a tyrannical bureaucracy as outrageous, as wicked, and as contemptuous of human rights as any bureaucracy which ever existed abroad. It gave functions to the Federal government which that government could not possibly discharge, and the evils which came from the attempts at enforcement were infinitely worse than those which honest reformers attempted to abolish. If the people of the country have learned their lesson as to what belongs in the constitution and what should stay out, what belongs in the field of legislation and what in the field of religion and morals, what is public and what is private business; if, in other words, they have learned the wisdom and forethought of the framers of our fundamental law, then the long bitter fight for the repeal of the 18th Amendment will not have been in vain.

●

THE EDITOR IN A DEMOCRACY

IN TIMES OF GREAT STRESS, I am beginning to realize that the job of being an editor in a democracy is a difficult one. On the one hand, there is great, and unquestionably honest and legitimate, pressure to print only views which will establish confidence in the government and in business, and uphold the hands of those in authority. If, as many say, the present crisis is largely psychological, then it must be good patriotic policy to say nothing which will disturb confidence and to advance every argument which revives hope and radiates optimism. On the other hand, an even more powerful argument can be made for an absolutely impartial presentation of the editor's convictions, reflecting policies and events as he actually sees them.

The latter course of action is the more difficult. It runs against the tide. It may easily give the appearance of narrow, personal, carping criticism directed at those burdened with responsibilities of public office or economic leadership. The editor runs the risk of looking like an irresponsible ink slinger, attacking those who have been chosen to bear the real burden, and who may be presumed to be in a better position to know what is going on, and what to do, than the fellow sitting at a desk miles from the scene of action.

On reflection, every reader in this country who is familiar with its laws and devoted to its traditions will conclude that an editor's job in a democracy is to print his honest opinions, because without a free press we cannot have a free nation.

Public opinion in a democracy has a tendency almost automatically to be all in one direction. There is quite a little of mob rule about it. When a leader in business or public life is popular, everyone is expected to root for him. When a plan or program meets with public applause, everyone is expected to subscribe to it and boost it, and the man who does not go along with the crowd runs the risk of unpopularity and loss of influence. It is the pressure on everyone to be like everyone else. Nevertheless, the best service that an editor can

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

render to the community is to ignore hastily formed mass opinion and advise and guide the public in its real, permanent interest, irrespective of whether at the precise moment the course he advocates is popular or not.

In the case of the present, national emergency measures, including government planning and control on a revolutionary scale, unbiased comment has become peculiarly difficult. The cool reception given by the country to the brilliant and courageous speech of Senator Carter Glass against inflation is evidence of the impatience of even intelligent people with the man whose conscience drives him against the tide. The fiery Virginian was ahead of the procession. He was swimming up Niagara.

An even better illustration is afforded by the address of Donald R. Richberg, general counsel of the National Recovery Administration, at the Merchants' Association luncheon in New York City on July 6, a speech which was also broadcast over a nation-wide hook-up. In the course of this luncheon address, Mr. Richberg, who has previously been known to the country largely as a radical writer on labor subjects, announced that industrial leadership would be given one more chance to justify its authority, and then went on to say that in this great emergency "there can be no honorable excuse for the slacker who wastes these precious moments with doubting and debate—who palsies the national purpose with legalistic arguments and appeals to prejudice. . . ." That sentence sounds like a quotation from Stalin.

All constitutional questions are airily disposed of by Mr. Richberg in four short sentences. Reasonable doubt on the part of business men as to national industrial control is waved aside by Mr. Richberg with the following sarcastic comment:

"Even a cold-blooded advocate of a planned economy should sympathize deeply with a business genius whose momentous decisions have heretofore been based on reasoning akin to throwing the dice or tossing a coin, and who is now asked to abandon this stimulating exercise of individual initiative and to resort to the study of mystic charts prepared by some educated pencil pusher."

Evidently Mr. Richberg is afraid that reflection on the part of the public may develop an even more healthy distrust of the "educated pencil pusher" than of business genius, because he makes this threat against those who want a little time to think about and discuss the greatest revolution in the theory of American government since the founding of our Constitution:

"There is only the choice presented between private and public election of the directors of industry. If the privately elected boards of directors and the privately chosen managers of industry undertake their task and fulfill their responsibility they will end all talk of dictatorships and governmental control of business. But if they hold back and waste these precious hours, if they take counsel with prejudice and doubt, if they fumble their great opportunity, they may suddenly find that it has gone forever."

In the long run, Mr. Richberg to the contrary notwithstanding, those in authority in a democracy are best off when their acts are subjected to constant and impartial analysis and criticism. Every thinking person will come to this conclusion before we are through with the present crisis.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Sweet Land of Lunacy

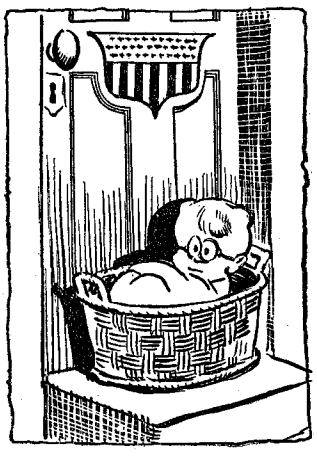
By Edward Angly

Edward Angly, compiler in "Oh Yeah?" of the classic obituary of the Mad Twenties, and a frequent contributor to NEW OUTLOOK, calls attention to a few facts which may be pertinent in the official history of the New Deal.

FOURTEEN summers ago, when the delegates to Versailles called for their cars and strutted out of the Hall of Mirrors to go their separate ways, a realistic soldier remarked that the Treaty of Peace contained all the germs of a just and lasting war. Those departing delegates had recarved the physical chart of Europe.

In this American Republic, a Congress recently scattered homewards after changing the political, social, economic and monetary map of the United States with such violent choppings and gluings that one may well wonder whether either Washington or Lenin could recognize, or competently appraise, the result. Thanks to the Congressional labors, done at the direction of the President, the country now seems to be staggering toward a forced draft prosperity. Yet, with all the re-employment, the firing of furnaces and the rising of business barometers, one may ponder whether this on-rushing revival contains the germs of a just and lasting depression. Are we not, to an inexcusable degree, buying prosperity at the expense of posterity?

In 1919, even as the Treaty brought a sigh of relief to a wounded world, an American bystander could criticize it without being considered pro-German. Today a mugwump who voted against Hoover may rejoice in the renaissance President Roosevelt has fathered and yet find fault with some of its features. Its head seems to be too big for its body. Perhaps one ought to overlook that disproportion in New Deals as in new-born babes, with confidence that time and nature will perform their mysterious wonders. But one cannot complacently ignore certain unhealthy looking swellings in the brain child which the Brain Trust has put upon the national doorstep.



One of these swellings is inflation. Another, I think, is an *"ism"* not yet isolated and named, which appears to contain a pinch of Karl Marx, a dash of Trotzky, a teaspoonful of William Jennings Bryan and a tablespoonful of John Maynard Keynes. Whatever it is, it bears little resemblance to the Americanism preached, if not practiced, for a century and a half until the *laissez faire* policy of the Fathers gave way, in the fright of hard times, to the *laissez Roosevelt,* or Let Frank Do It, policy of 1933.

Whatever may be the new *"ism"* planted in the pot—the chicken pot, wasn't it?—where ragged individualism wilted and died, it threatens to convert a good many million Americans into the status of kept men, with Aunt Samuela sashaying about in the role of sugar mamma. What a reckless old *roué* Uncle Sam is getting to be! With his Reconstruction Finance Corporation of the unlamented Hoover regime, he set out to support the scarlet women of banking and railroading in the style to which they had become accustomed, and he is still doing it. Now, with his own string of land banks, he offers loans with particular solicitude toward those who can prove that they are too bad a risk to borrow elsewhere. He has wiped out the mortgage bond market, promised to keep the roof over every debtor's head and outlawed the wicked villains who would foreclose against that finest flower of American manhood, the eternal one-hundred-per-cent optimist. Ignoring all the expensive lessons of the past, he has decided to guarantee bank deposits. He has put the salve of socialism on the sores of capitalism rather than use an honest knife.

The farmer, whose wailings for help from the taxpayers have resounded through the halls of Congress with a constant din ever since the collapse of the war-time boom, has finally been subsidized at public expense. In the New Deal an ace was put on the top of the deck and promptly dealt to him. He is being paid not to grow cotton, not to grow wheat, not to grow tobacco, a novel idea in economic planning if ever there was one. In sections of the South more than ninety per cent of the farmers leaped at the opportunity to receive from $7 to $12 an acre for plowing under from twenty-five to forty per cent of their planted cotton and—at a time when the staple was already above ten cents a pound—to take options for purchasing the Farm Board's bales at six cents a pound. The Farm Board paid fifteen cents and better for most of its stuff in its futile effort at stabilization two years and more ago. It was your money and mine that went down the Farm Board sewer.

●

Before me is a newspaper from a county seat in Dixie. Its front page is filled with enthusiastic accounts of how, at gatherings of farmers come together to hear the glad tidings from Washington, the vote to plow under every permissible acre the new scheme would pay for was unani-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mous. And why not? On Page 2, among the classified advertisements, this: "240 acres of farm and grazing land for sale at $3.50 per acre cash." An extreme contrast no doubt, and not at all typical. But there it is for what it is worth.

Patently the cash payments for destroying crops are "helping business" in the wheat and cotton belts. Debts are being paid off at the town stores. Banks and merchants in the market centers are enjoying an increasing custom from the subsidized sod busters. So is Henry Ford. But, again, what will the bill come to, and who is going to pay it? The Farm Board, too, was once upon a time expected to be a self-liquidating sort of self-starter.

Quite aside from the cash put out by the government, what is this new system of subventions costing the country in character? Does it not encourage wholesale spying and lying? Does it not impose on county agents duties as alien to traditional American ideals of behavior as the snoopings of Red Russia's Gay Pay Oo?

●

As soon as he had satisfied the farmer, big-hearted Uncle Sam asked the states, counties, cities, sewer districts, levee districts, irrigation promotions and other subdivisions weakened by bond hemorrhages to outline the physical improvements they hankered for and to let him know. If he likes the looks of their home-made prescriptions, he will make the spendthrifts a gift of part of the cost of the sugar-coated medicine and loan them the price of the rest.

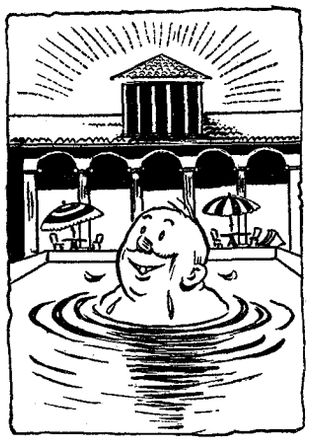
"Step right up and help yourselves, boys," says Uncle Sam. "There are plenty more bonds where these came from."

When it was announced that an extra $3,300,000,000 would be available for distribution from Washington to prime the pump of prosperity, he became the world's champion hog caller. The rush of the railroads, mismanaged banks and half-busted building and loan associations to the R. F. C. trough in Hoover's hapless day seems, in retrospect, a hesitant trudge of timid souls when one compares it to the swinish race of mayors and commissioners, contractors and chambers of commerce committemen that has been stirring up dust all over the country ever since the Roosevelt Administration promised to pour out millions upon millions for public works. First in the county seats, then in regional centers, finally in the state capitals, hungry public officials ceased chewing pencils over their unbalanced budgets and their lists of tax delinquents and got together for some good old-fashioned boom-time boosting of bigger and better projects.

●

When these go-getters put their heads together there was no end of glowing ideas: new marble halls for city offices, perfumed abattoirs, spacious stadia, Etonian playing fields for the kiddies on the other side of the railroad tracks, town halls with swimming pools and plenty of parking space, and, by the thousands, of course, projects for those two paramount prides of the democracy, better roads and more magnificent school houses. Here and there I notice, in scanning the suggestions poured out in meetings the country over, a sporting city wondered whether it would be all right to ask Uncle Sam to bring it a nice new race track for Christmas.

As if to show the new public works section of the government how to lend, the Reconstruction Finance Corporation on its last day of handling "self-liquidating loans" for plausible projects, shoveled out $3,200,000 to improve Saratoga Springs. Well, one must concede that nothing could be more self-liquidating than springs. On the same day a loan was made to the town of Heber in the Imperial Valley of California "for construction of a municipal water works to compete with a private firm," and Columbia, S. C., got $163,000 for an athletic stadium. About that time Bernard F. Dickmann, the Mayor of St. Louis, breezed into New York, sat in a suite at the Waldorf-Astoria and announced that he had been in Washington asking the Federal government for an outright gift of $29,000,000, and a loan of a few millions more.



The gift, said the Mayor of St. Louis, would enable his pleasant, mellow and, let it be added, solvent, city to widen down-town streets and link up Federal highways and thus would be "of permanent value to the nation." And so it goes, and so, no doubt, it will keep on going.

The clamor of cities, states and counties lined up in the public works queue didn't take long to send shivers down some of the sounder spines in Washington. Lewis W. Douglas, watch-dog of the Treasury and white hope of the salaried taxpayer, was moved to broach the suggestion that the Administration confine its splurging to states which had balanced their budgets. Mr. Douglas, it may be advisable to remark, is not of the generation which led this country into the poisonous prosperity of the 1920's and could then think of nothing to do about the Depression except get themselves hoisted out of it on a government-owned derrick. Mr. Douglas is of a younger generation and happens to be imbued with the almost discarded prewar notion that individuals, corporations and nations should live within their means. So far, for every dollar he has saved in current expenses, his elders have suggested new methods for spending ten.

Happily, there is no denying that the water which the new Administration has been pouring down the pump has started a gurgling flow up the pipe. That is something to shout about after three years of watching the Hoover helpmates pour water down sinks and sewers and roll up a $5,000,000,000 deficit through bad guessing and ineffective attempts to start the ball rolling again. Commodity price levels are rising. Debtors are beginning to meet their overdue obligations, some of them using their own money. Securities have soared and not altogether because the dollar has dropped. Delinquent members are returning to their golf clubs, paying their back dues and having the Depression's rust removed from their irons. Tens of thousands who were walking the streets last winter are now well-fed woodpeckers in the Civilian Conservation Corps, the envy of every gob and enlisted soldier who took a pay cut on the chin. A President who doesn't believe everything he hears from the Pollyannas of Geneva has ordered the shipyards to build for the Navy. Industrialists who slashed wages and forces several times in sour silence are hiring press agents to tell the world of five per cent raises they have decreed and the new workers they have put on the

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pay rolls. Involuntary pedestrians of yesteryear are piling into bright new motorcars and going places again. Beer is back, whisky flows freely in the drug stores, repeal is on the way—and new tax sources along with it. For the most part it is a pretty picture, this Roosevelt renaissance, and a lot of fun. The fellow who wonders out loud if there are not a few bad flaws in it, is put down as a knocker, just as he would have been in 1928.

And yet, even amid the clamor of rejoicing, the seven million share days on the Stock Exchange and all the rest of the reviving hoop-la, one may calmly and even cynically inquire "Who is going to pay the bill?" In view of all the chatter about a commodity dollar, whatever that could be, one may add to the query, "Pay it with what?"

Even without artificial gas to light the way, the country certainly would have emerged from its well-deserved depression. Rebuilding the economic structure would have been slow, to be sure, but it would have been an honest job on a foundation in which bad debtors could have been spotted by their defaults. America might have chosen to ride out of the Depression on a pay-as-you-enter trolley and known where it was going, even though that meant a drop from its high standard of moving, a contrite rejection of the national impulse to hustle. Instead, we have all stepped into, or been bundled into, a balloon without any assurance that it is really dirigible. The Brain Trust tells us the inflated contraption can be landed nicely on the 1926 price level, wherever that promised land may be. And Mr. Bernard M. Baruch, who only a few months ago preached to us of the rewards awaiting those who trod the narrow, thorny path of the gold standard, and warned us of the hell-fire and brimstone awaiting sinful inflationists, sits there with the boys in the control cabin of the balloon, a smile on his face. Sometimes I wonder what misgivings that smile may dissemble. And still the question arises, who is going to pay for the gas?

The general assumption would seem to be that, if we can only get going, we will soon be rich enough to pay for most of it ourselves, and that we will leave so many blessings to the coming generations that they will be rather pleased to take care of the balance due. Such fatuous optimism is partly attributable to the habit of supposing that America is going to grow in population and in riches as rapidly in the future as it did in the past. Whole libraries of serious studies and statistics are available to knock such an illusion out of any head that holds it. The population curve is climbing only moderately now. Unless the immigration gates are flung wide again (which nobody wants to see done), it will soon reach a plateau. A passion for self-sufficiency suffuses every country, so that one can scarcely expect the foreign market to consume American surpluses on an ever-increasing scale.

As for the new wealth that the future is to bestow, a great part of it must be ear-marked to absorb long term debts, many of them heaped up with unprecedented frenzy during these past two decades of bigger-and-betterism. One of the troubles with us now is that we have caught up with our future. The debts on which we went galloping up the hill have rolled over on us. There are many leaders, in banking, in business and in the government, who seem to think the way to go on is to hire a new debt and ride out on it, proudly waving a balanced day-by-day budget in one hand and holding a letter of credit on the future in the other.

Well, I have a notion that when the Americans of tomorrow sit down to rest from their labors under the trees which our C. C. C. is planting for them, they may remember us less for the shade than for our shadiness. Perhaps they will say a soft generation that was frightened of being crucified on a cross of gold had no right to try to hang its descendants in a noose of engraved paper. Perhaps they may balk at wearing sackcloth and ashes for the sins we declined to expiate. Perhaps they will repudiate our obligations as thoroughly as the Bolsheviks repudiated the Czarist debts. Or will they pass the buck on down the line with some new sort of dollar, a dollar based, let us say, on the production of gas?

Anti-inflationists, orthodox citizens who still think an American bond ought to be as good as its word, do not have far to look for horrible examples of what inflation can do. Germany of the early 20's provides us with one. In France of the middle 20's we have another, a more moderate, case in point. Europe is strewn with the wreckage of other attempts to find new ways to pay old debts.

I happen to be one of those observers of the human comedy who knew Germany in the wildest days of her inflation, who lived and worked in France when the franc was soaring and later when Poincaré got control of it, doubled its value in five months (with what wailings from the industrialists and the exporters!) and then tethered the poor thing, shrunken to a fifth of its old size, to the hitching post of gold. I've earned my black bread in Russia by the sweat of a typewriter ribbon. I've plugged away at a desk in Bucharest when the lei was leaping from precipice to precipice, and have drawn pay checks in lira before Mussolini tied them down. I've seen all the inflation I want to see.

It is bully stuff for a while. It does help the over-optimistic pay off their debts. It offers the industrialist a new excuse to preen. It may even make two smokestacks grow where one grew before. But if it ever, anywhere, honestly helped the great bulk of a populace in the long run, I'd like to be told where that populace lived, and when. Inflation remembers the Forgotten Man, but always a little too late to do him any good. His pay cheque grows, but never in quite the speed or proportion with which the money it calls for shrinks in purchasing power.

Sentimental business men might also be reminded that inflation—even in a mild form of monetary devaluation—doesn't do right by grandma, nor the sweet widow ladies with their kiddies to rear on bonds that broke their promise to be gilt-edged. As inflation goes up the value of insurance policies, savings accounts and such-like investments of the thrifty go down. In a word, inflation is a form of dishonesty. It is a wild deuce that should be thrown out of a deck containing such fine looking face cards as the new securities and banking acts, the repeal amendment and various other high spots dealt out from the White House by the courageous Franklin D. Roosevelt.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Coming Storm Over Alaska

By Trumbull White

A hitherto, little noticed investigation of the birthright of the Eskimo is being quietly conducted by the Department of the Interior and is expected to cause a new storm over Alaska. Trumbull White, veteran of previous Alaskan investigations, is a former magazine editor.

TOURISTS in Alaska used to write home from Nome on souvenir postcards which carried a picture of Mary Andrewuk, "the Eskimo reindeer queen," accounted passing rich with her famous herd of 317 grazing on the tundra. The picture postcards were published by Lomen Brothers, the local photographers. This was not so long ago, less than twenty-five years.

Twenty years later, Carl J. Lomen, of Nome, had become the head of a great industry, with herds of reindeer numbering more than a quarter of a million according to the estimates in its corporation publicity. By this time he was a familiar figure in magazine articles, and in New York, Washington and Seattle, famous himself as "the Alaskan reindeer king."

Now comes 1933 and the culmination of twenty years of controversy clamoring for settlement. All the signs indicate that Alaska once more is about to break into public attention with a bang.

This time it is not a new gold bonanza, a new Nome nor Fairbanks, a volcanic eruption nor a dog-race, none of the characteristically picturesque news items about rescued aviators, or a Balto struggling through blizzards with a sledge-load of serum, such as frequently come down by wireless from our national northwest corner. This time it's a fight that portends, with Arctic Eskimos, Alaskan big business men, and New York financiers as factors, with school teachers and missionaries, government officials, politicians and promoters all mixed into it at one time or another, the potential stake reckoned in the millions of dollars, all revolving around a million reindeer more or less, grazing on the tundra.

The Alaskan reindeer row—it seems so remote that even the reference will be obscure to many readers—is an old issue, an ancient wrong the crusaders declare it, but the new administration at Washington has resolved to follow through and clean it up, if possible. Secretary of the Interior Ickes remembers what one of his predecessors in that department contributed to the wreckage of the Harding administration. But also he remembers that long before Harding had his Fall, Taft had his Ballinger, and Alaska was the center of the storm in that day. Hence the instant housecleaning which he has undertaken. He has tackled the reindeer row as of an importance quite beyond its actual dimensions, not permitting it to be blanketed by his numerous tasks of greater magnitude in the national program.

Alaskans, generally, see and speak in superlatives—and generally with full justification. It is that kind of a country. Their controversies have had the habit of breaking into literature as well as litigation. Rex Beach gained his first fame by recounting the looting of Alaska when venal courts fell under the spell of the golden sands at Nome. Railway building in Alaska meant battling with rivals for the rights of way. The forests, the coal, the salmon, the seal, the copper, the fur, the game, the boundary disputes, the great rivers, the glaciers and the mountain summits have furnished a wealth of drama. Now with the approach of Alaska's sixty-sixth birthday as a territory of the United States, the rights and wrongs of another fight have to be sorted out by Uncle Sam. Also there are the vital interests of a primitive race, wards of our government, which means ourselves.

●

What was originated and fostered as a domestic industry, solely for the benefit of the Eskimo tribes in Alaska, has so expanded into the dimensions of a commercial industry as to become a temptation to the dominant whites. On the one hand, it is contended that the methods of a great corporation now virtually in control are quite at variance with the best interests of the Eskimos; that governmental policies and intentions have too often been swayed by corporation influences; that government orders in the interest of the Eskimos have been flouted by the corporate interests, and that even while thus recalcitrant against Federal and territorial authority they have sought and recently obtained large loans of public funds from the Reconstruction Finance Corporation for their own use in the industry which is the center of dispute.

On the other hand, it is contended that the criticisms have been voiced and the antagonisms inspired by impractical sentimentalists, school teachers and missionaries who do not properly appreciate the motives and the methods of business men handling a new industry in its experimental period; that the Eskimos are incompetent to administer their own affairs wisely; that the Eskimos neglect their herds and handle them badly, to their own loss; that a merging of Eskimo herds and corporation herds

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for joint handling, butchering and marketing is the only economic way to handle the industry for the benefit of all concerned; that the big business corporation already dominant in the field is experienced, competent and equipped to handle the whole of the industry in Alaska, and that it is actuated by benevolence and generosity to the Eskimos, as well as by the loftiest of business standards, in its plans and in its practice.

When in addition to these generalities one takes note also of the charges of stampeded herds, misbranding, fake round-ups, and all that would make reindeer-rustling a repetition of the cattle-rustling of an earlier day, fraudulent tallies and delayed accountings, misleading herd-figures and financial statements and promotion methods, and diametrically divergent testimony back and forth in correspondence and in voluminous hearings in the Interior Department, it is not surprising that judgments become difficult.

When he assumed office, Secretary of the Interior Ickes found a massive record confronting him, covering various investigations and hearings. Delegations pro and con flowed in upon him. In the face of the contradictions and confusions, he had no choice but to attack the whole thing *de novo,* and this he did. In the spirit of his approach, and the knowledge of his long-time record in kindred matters, it was heartening to those who are disinterested—and interested—from whatever honest point of view, that he thus undertook an immediate, new, independent and thorough investigation by processes of his own. The results should soon begin to appear in the news.

●

Now let us try to sort out the essential actualities from the mass, the "how come," the events, the figures, the facts and personalities of importance in this astonishing industry of our own Farthest North.

A long period of slow exploration and pioneering passed in Alaska, after we purchased the territory from Russia in 1867, before the reindeer row was born. In that quarter century there had been some development of the salmon fisheries, international strife over the slaughter of the seals, an issue with Great Britain over the boundary, and a growing realization of the potential mineral wealth in gold, copper and coal. Traders and trappers along the river valleys and the coasts were shipping out rich cargoes of furs. Whalers were busy as far into the Arctic as Point Barrow and beyond. Missionaries and school teachers, few in number, were scattered at wide intervals throughout the territory, by the benevolence of the churches, or the appropriations of Congress.

A pioneer Presbyterian missionary named Sheldon Jackson, destined to everlasting Alaskan fame, thought of reindeer as a solution for serious conditions which had to be confronted, if the Eskimo tribes in the north and west of the territory were to survive.

As Major General A. W. Greely, long in command, and a superior authority on all Alaskan matters puts it, the wholesale destruction of land game, the practical extinction of sea game, and the influx of the miners wrought such disturbances in the economy of native life that extermination by thousands by starvation was imminent. In the famine of 1889 hundreds had thus perished. It was then that Dr. Sheldon Jackson decided that the problem could be solved by the importation of Siberian reindeer. The idea was scouted as impracticable and absurd. Congress refused to make an appropriation to finance such folly. Undismayed, Jackson sought support from churches, mission boards and private benevolence till he had raised $2,100 in supplies,—not money—for barter was the only way to trade with the Siberian Eskimos on the Asiatic tundras across Bering Straits. In 1891 the first Siberian reindeer were brought into Alaska, and 172 more in 1892. The next year Congress made the first small appropriation of public funds to help. By the end of 1902, when the Russian government withdrew permission for any further exportation of reindeer from Siberia, the purchases had reached a total of 1,280. From this beginning come all the million reindeer now estimated in the Alaskan herds.

●

Writing in 1909, General Greely said: "There are three classes of stations, Government, entirely under Federal control; Mission, where herds are loaned for industrial training, an equal number to be eventually returned; Relief, maintained at suitable points for emergency purposes. The policy of the Interior Department looks to the gradual and early transfer of all deer to industrious and worthy natives. In order properly to distribute the reindeer and foster their care and breeding, small herds were loaned to such missions as agreed to train Eskimo apprentices as herders, and return at the end of five years the number loaned, retaining the increase. Loans or gifts have been made to Congregational, Swedish Evangelical, Friends, Norwegian Lutheran, Moravian, Catholic, Methodist and Presbyterian missions. Owners may kill surplus males, and sell their meat and skins, but female deer are *not allowed to be sold to white men.* Ownership is distributed as follows: Lapp instructors 14 per cent, missions 22 per cent, United States government 23 per cent, Eskimo herders and apprentices 41 per cent. The greatest benefit is moral and educative, instilling a personal self-respect, sense of ownership, and inclination to self-support."

Expressing his later conclusions in 1925, General Greely said: "Rarely in history have the efforts of one man and an enterprise so small, wrought equal benefits to an ignorant and starving people, as in the transformation of Eskimo life from the primitive to the pastoral stage, from nomadic hunters to civilized men."

●

Such was the origin, the purpose and the gradual outcome of the reindeer experiment. It was conceived to be a native domestic industry for the welfare of a backward, primitive race whose subsistence had been all but destroyed by the coming of the whites. It served that purpose noteworthily. As a by-product only, it served also as insurance of relief to shipwrecked, icebound whalers in the far north, and to distressed miners prospecting the outlands, though that was never its reason, nor the actuation of the successive Congressional appropriations for the hiring of Lapp herdsmen and the teaching of the Eskimos how to handle their herds.

Next into the picture came the Lomens, of Nome, and

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a little later the Baldwins, of New York. Among them they brought imagination, courage, resourcefulness, money and influence, admirable elements of value and worthiness in themselves, but likewise elements of danger when angry controversies develop amid conflicting interests far away. That is why in 1933 we are looking into the relations of a $4,000,000 corporation to the Eskimos of Alaska, the estimated herds of 250,000 reindeer belonging to the Lomen interests, a grandiose project to multiply the herds and market their meat all over the land, and a loan from the United States Treasury via the Reconstruction Finance Corporation to overcome the disappointing record of unprofitable years in the Lomen reindeer industry.

The senior Lomen, Gudbrand J., born in Iowa of Norwegian forebears nearly eighty years ago, became the picturesque patriarch of a large household. After his college education, some years of law practice in Minnesota, and a term in the Minnesota legislature, the discovery of gold at Nome drew the family northward, and from 1900 onward that became the home town. With his five sturdy sons growing up around him and entering business activities as diverse as mining, trading posts, drugs and photography, Lawyer Lomen became a leader in his profession, served as Mayor of Nome during the war, after which he was for three years the United States District Attorney, and then, by appointment by President Harding in 1921, was made United States District Judge for the second judicial division of Alaska. By successive four-year reappointments he was continued on that bench until quite recently when Lester O. Gore of Ketchikan was named to succeed him.

●

As Carl J. Lomen has told the interesting story, it was he, the second son and a mere youth of nineteen years, who first suggested the Nome adventure, his imagination kindled by the news of gold discoveries in the sands of the beach and the tundra. It was he, too, who saw the possibilities in reindeer and looked ahead to the founding of a great industry in frozen meat. Only the sharp restrictions that existed against the sale of female reindeer to the whites, and the administration of the herds in general by the school teachers and the missions so as to keep them in Eskimo hands, delayed the beginning. Nevertheless, he and his father and brothers by this time had become a powerful clan of leading citizens, and conditions were changing as the mining industry declined and the golden days of Nome were ending.

●

"Father was a lawyer," says Mr. Lomen, relating what happened when he first expressed the wish to acquire a herd of reindeer. "He told me that they were all the property of the natives and could not be sold to white men."

As the years went by and the reindeer herds multiplied on the vast grazing ranges around the Eskimo villages, other conditions also were changing, whether by law or by custom. At any rate, in 1914 Carl Lomen heard that a certain Laplander wanted to sell his herd and go back to his own Lapland. The original contracts, or understandings, by which Lapps had been brought to Alaska with the first reindeer, to teach the Eskimos how to handle the strange new domestic creatures, the Lapps to be paid partly by an allotment of reindeer out of the natural increase, were coming to an end. Some of the Lapps remained in Alaska as prosperous reindeer men, others went back home.

Says Mr. Lomen, "As the embargo on the ownership of reindeer by white settlers had now been lifted," he bought this herd of 1,200, and the Lomen reindeer enterprise had its beginning. This, he relates, occurred at the very first moment when he could lawfully own a reindeer.

●

This seems to be the place to mention—and then dismiss—the matter of permissible ownership of reindeer in Alaska. In quoting what General Greely said about sales and ownership of males and females, of loans and gifts, and in quoting the Lomens, father and son, the question has already been hinted. But whether, how and when it was ever settled with finality is too much of a legal issue for the present writer, and too ample a subject for the present space. For years the Lomens have been carrying on extensive operations running into a total of millions, obviously with no doubt of their own as to the legalities. Arthur J. Baldwin and Leonard D. Baldwin, well-known New York lawyers and capitalists, have been important factors in the financing of the Lomen enterprise. They all must have felt completely assured of the legal soundness of their position. Nevertheless, the legalities continue to crop up as an element to regard.

In hearings before the Reindeer Committee in the Department of the Interior in Washington on March 13, 1931, Congressional Delegate James Wickersham testified at length. It is a reminder of Judge Wickersham's long and distinguished service to the territory, on the bench, in Congress, or out of official position, to recall his part in protecting Alaskan resources back in the days of the Ballinger regime more than twenty years ago. In his testimony he avowed his thirty year friendship for the Lomens, father and sons, even while sharply asserting that they were wrong in some of their attitudes toward the reindeer industry and the Eskimos.

●

Ahead of all other details in the controversy, he went at the crux of the whole matter as he saw it from the legal direction. Tracing the records through, from the time of the purchase-treaty to the present, with the successive Congressional enactments and appropriations before him, he expressed grave doubt as to the right of the Lomens to own their great herds of reindeer at all, and declared that this detail required adjudication as a first step, before other issues properly could be settled!

Mr. Leonard D. Baldwin interjected the remark, "I am sorry that Mr. Wickersham has found it necessary to raise the question of the title to our deer. We are doing considerable business—several hundred thousand dollars a year. We buy credit, two or three hundred thousand dollars a year, and if you spread on the record that we do not own these deer—."

Mr. Wickersham: "There is a question about it, and that question ought

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to be determined."

Mr. Baldwin: "We are ready to defend title before this Committee."

It was a long colloquy, with a mass of document and detail introduced, more or less inconclusive court records, lawyers' letters, solicitors' opinions, and lay correspondence. That was not the time and place for a decision of such a substantial possible issue. Perhaps it is *stare decisis*—and perhaps it is still a part of the controversy! At any rate we get back to the fact that the Lomens had obtained the nucleus of their future herds less than twenty years ago.

●

While the Lomens were expanding their picturesque enterprise to the dimensions and the methods of an important corporation, the seeds of inevitable controversy were also germinating. It is hard for the Lomens and the Baldwins to contemplate the school teachers of Alaska without the attendant act of biting nails, or to mention them without harsh language. For every charge that is made suggesting that Big Business in the reindeer industry has oppressed the helpless native, absorbed his herds, trespassed on his grazing areas, and withheld his settlements, there is indignant denial and a counter-charge that the teachers are trouble-making marplots, misleading the natives, and responsible for all the years of strife by the suspicions they have planted.

The Biological Survey is hard at work in the effort to destroy the pest known as the warble-fly, a parasite which infests some of the herds and ruins the reindeer skins, but it seems a moderate statement that the Lomens still more highly disesteem the school teacher gadflies which may be fewer, but are mercilessly active.

Now the chief difference between a crusader and a gadfly (human species) is whether he is on your side or the other side of any given question. Those who see the Alaskan reindeer question from one direction think Clarence L. Andrews, of Seattle, a crusader, and those who look from the other direction regard him as the most pestiferous of all gadflies. Whichever be right, he has never ceased to press the claims of the Eskimos upon governmental attention during his years in the Reindeer Service of the Bureau of Education in Alaska and afterwards, since first he came in touch with the circumstances.

Former Alaskan Congressional Delegate Dan Sutherland in the 1931 hearings speaks of him with great respect for his sincerity, his ability and the sacrificial way in which he gave, and continues to give, his life work for the welfare of the Eskimos. Unquestionably it was he who forced the big issue into attention, and persists in keeping it there until solved, no matter how many quieting compromises may be sought in the attempt to quench it.

●

Contrawise, in the same hearings, Carl J. Lomen testified thus: "These complaints, I have never seen one. I do not know what it contains, but I do not care, because it is written by disgruntled people who are not informed on this industry. * * * A fellow by the name of Andrews had jurisdiction over about twenty Eskimo boys and girls up here in Geary, and he has, I think, written hundreds of pages. He is misinformed, he is vindictive, he does not know anything about this situation. He is down in Seattle and just chuckling, I think, for he has cost us money. If it is any satisfaction to him I will tell him that it has probably cost our corporation half a million dollars this past year."

Andrews and his friends think that he was forced out of the Reindeer Service and the school system at the end of 1929 by organized influences resentful of his efforts to have the reindeer question kept open until settled with the Eskimo rights regarded as of first importance. They blame the Lomen high potency at Nome and at Juneau, the territorial capital, for what happened to him, and to others of higher and of lower position in the service, before and after, seeing it as reprisals. Perhaps all parties actively concerned have lost their perspective and their sense of proportion as a result of the long fight.

●

And just what is it that is demanded by the crusaders (or gadflies!), the church and mission publications that have been stirred to action, the Indian Rights Association and—oh, yes! the Eskimos? Three items: to separate the native and the corporation interests in the reindeer; to allot the ranges that the Eskimo herds may occupy for grazing, around the locations that have been their hereditary habitat; and to give the Eskimos an adequate, verified accounting and settlement for the years during which their interests have been merged into, and administered by the corporation.

As far back as 1917 there were mutterings and complaints by Eskimos who were aggrieved at happenings where native interests and Lomen interests came too close together. By the time another ten years had passed there were Lomen herds of great size, and Lomen grazing allotments of wide extent. Also, there were Lomen corrals, modern abattoirs, cold storage plants and shipping facilities established at various points of vantage. Much capital had been expended, and marketing efforts were under way to place reindeer meat upon the dinner tables from Seattle to Boston.

Expansion of the industry had multiplied the points of contact and of possible controversy. I have before me now an astonishing lot of complaint letters from Eskimos, herd owners or the heads of local Eskimo coöperative herds and reindeer "units," such as were developed during the growth of the native industry under mission and school guidance. They are no more surprising in their quantity than they are in their excellence. Ungrammatical they may be in spots, or even misspelled, but they have a quiet dignity, direct, simple, touching and convincing, the expression of Eskimos who have been to our schools in remotest Alaska, who trust their government, who prize their teachers, and who believe they have grievances which should be remedied. The Eskimo signatures are strange names to us, but they have families, homes, and a domestic industry on which they depend in large measure for food, clothing, shelter and earnings. They hold community meetings to discuss the issues, they use airplanes when important occasions call them to committee meetings at Nome, and they send dispatches by wireless to the Secretary of the Interior protesting against rulings which compromise their interests as they see them.

The letters before me make charges of encroachment on grazing allotments, stampeding of herds, butchering of native reindeer for Lomen shipment, with delayed or unsatisfactory settlements, debits against them for costs which they do not understand or accept, and they show themselves generally disheartened by what they think is being done to them.

It would be a course in animal husbandry to include here

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

even the broader details of how reindeers are reared, herded, branded, butchered and marketed. Of course, there is room for honestly divergent opinions as to wisdom, or fair play, when one party is a great commercial corporation and the other is a group of Eskimos, recently emerged from the darkness, and of a mental maturity not beyond the lower grammar school grades, even though they are astute, intelligent, gentle, trusting and trustworthy.

It would be a course in Alaskan geography to make clear how the Seward Peninsula, where most of the controversial issues are bred, once tended to be mostly Eskimo in allotments for reindeer grazing, and is now a veritable Lomen entanglement; how salients of Lomen grazing-leases have been thrust in between Eskimo allotments, with the inevitable overlapping of herds and the exact results which were to be expected. Bitter charges and counter-charges come from every direction, too confused to recite here except thus atmospherically.

It would be a course in bookkeeping to relate how the accounts are kept at the roundups, the mavericks apportioned, the increase of the year allotted by percentages to the various owners of the intermingled herds, the Lomen charges for butchering, for "overhead," for freight and marketing, and interest, and the ultimate crediting to the Eskimos to whom the outside world is almost a complete blank, of whatever earnings the corporation finds has accrued to them. It is not strange that the Eskimos think they are being exploited, even though the Lomen corporations announce no profits for themselves either. It seems an inevitable outcome of the putting of these two interests into an operating partnership on any basis, the management necessarily in the hands of the white corporation, the accountings and settlements also all in its own hands. Whether the Eskimos have actually experienced, or merely imagined what they believe to be their grievances, such an arrangement could hardly be the solution.

●

If the Eskimos who finally found themselves invited into some kind of a loose marketing partnership and herd-co-ownership with the Lomens had ever sought to untangle the corporate structure with which they would be dealing it might have puzzled them. The list advances from 1914 onward. In that year Lomen & Company incorporated, with authorized capital stock of $750,000, the company dissolving twelve years later. In 1923 the Lomen Reindeer & Trading Corporation was formed under a Delaware charter. Early in its existence the Baldwins, of New York, came into the enterprise, they and some colleagues, making loans in excess of $300,000, and during that period several of the Alaskan plants were constructed. Even by 1924 their herds had expanded to some 40,000 reindeer, according to the mortgage deed.

In order to overcome extreme financial difficulties which had developed, in 1927 the Lomen Reindeer Corporation was organized under the laws of Delaware, with $1,200,000 of six per cent cumulative preferred stock authorized, all of which the Baldwins were to purchase at par, receiving as a bonus one-half of the 24,000 shares of authorized no-par-value common stock.

Thereafter more plants were constructed, and on March 1, 1930, a letter to stockholders reported that the herds now numbered more than 200,000. The corporation had issued the common stock as full payment for the assets of the prior company, at a valuation of $1,113,372.10. It used the proceeds of the $1,200,000 preferred stock to pay "indebtedness of the old company" and in the development and operations of the new one, and by that same March 1 had "since borrowed for the latter purpose $350,000 additional." These items seem to suggest a limit of the valuation that could then be claimed for the Lomen Reindeer Corporation. The same letter promises economies and efficiency by the organizing of six subsidiary corporations to run the different departments of the business—one to own the herds and grazing rights, one to own corrals and storage plants, one to own stores and lighterage, one to handle an experimental herd on Nunivak island (and that's a story too, but too long here), one as a common-carrier to own and operate motor-ships, and the last one to hold a half-interest in a dredge and mining enterprise.

In the fall of that same 1930 there was a stock-selling campaign under way on behalf of the Alaska Livestock & Packing Company, this an Alaska corporation, according to the stock prospectus that is before me. It offers $450,000 out of an authorized $2,200,000 of six per cent non-cumulative preferred stock, and $450,000 out of an authorized $2,200,000 of common stock, all at par. The herds are now stated at 250,000, valued at $4,325,000, plants and equipment at $343,192.33, and reindeer carcasses in cold storage $117,320. The descriptive paragraphs, and the prophetic ones, are eloquent. There is no mention of the Lomen Reindeer Corporation as a parent organization, nor of the various subsidiary corporations with their respective functions and presumptive earning powers as listed in the March 1 letter of that corporation. Locations, management personnel, and purposes generally coincide, however, and a receipt to the purchaser of some of the offered shares of stock is signed by the Lomen Reindeer Corporation, apparently as the vendor.

It is difficult to analyze and check the expansion of values and the omission of unmentioned assets from the information at hand, equally difficult to make the estimated size of the herds check, although the computation of assets is based chiefly on that detail. It may be that Alaska Livestock & Packing Company was a superseding name for one of the subsidiaries announced in the spring as presently to be formed, but if so it was a lusty youngster—and what was there left as assets for the parent, except to hold the unsold stock of the progeny? This possibility has some confirmation implied in a letter from the Alaska Livestock & Packing Company dated March 19, 1931, signed by Ralph Lomen as vice-president, and referring to the Washington hearings then in progress, in which he says: "Mr. Leonard D. Baldwin (Alaska Livestock & Packing Company), and Carl J. Lomen (Lomen Reindeer Corporation) have been in attendance."

As a last item concerning the structure of the Lomen Reindeer Corporation comes the news that that company has just changed its corporate name to Northwestern Livestock Corporation, a name as completely unsuggestive of Alaska, the reindeer industry, or the Lomens as could well be chosen. It is a far-cry from the advertising slogan with which the expanding enterprises of the territory were heralded not so long ago, with shipping tags on all the reindeer meat for export, "Lomenized Alaska," this new name with neither advertising nor publicity value. Assurance accompanies the announcement that the change is a change in name only, nothing but that!

The controversial rumblings from Alaska three years

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ago actuated Secretary of the Interior Ray Lyman Wilbur to seek some direct information through his own representatives. At his instance, Ernest Walker Sawyer of the Alaska Railroad made extended investigations and an informal report at considerable length, never published. Following this, Secretary Wilbur constituted an extra-official, informal Reindeer Committee to hold hearings at the Department during February and March, 1931, these afterwards published in two large multigraphed volumes.

The Reindeer Committee comprised Senator Kendrick of Wyoming, an old-time cattle man, Congressman Leavitt of Montana, formerly a forest ranger, and Assistant Attorney General Sisson, who had visited the reindeer regions of Alaska. The Committee heard much testimony, each side regarding its case as perfectly proved, with the other side annihilated. The Committee made a report and recommendations. The Secretary of the Interior forwarded the report to Governor George A. Parks at Juneau, the governor of Alaska being under the jurisdiction of the Interior Department, with instructions that the recommendations forthwith be put into effect.

This included the creation of a permanent Reindeer Council composed of the Governor, the Chief of the Alaska Division of the Bureau of Indian Affairs, the General Reindeer Supervisor of the Alaska Reindeer Service (these three ex-officio), a representative of the Lomens, and a representative Eskimo. The Council was created, and in the two years that have passed some of the recommendations have been put into effect. Some have not. This latter group includes matters which were put first in importance by the Reindeer Committee, such as adequate roundups to determine ownership and size of herds, segregation of herds, and withdrawal of Lomen herds from certain grazing areas in the Teller District and the Buckland District, where the controversies between Lomens and Eskimos have been most acute for the longest time. The Council states that some of the recommendations were not practicable to execute. The Council itself has also been characterized as only an advisory body, without actual authority. Its critics call it expensive and useless, alleging, however unjustly, that circumstances made it a Lomen group under the Lomen dynasty from the start. In other words, the whole row was virtually right back where it had been.

In March, 1933, President Roosevelt appointed John W. Troy, a Juneau newspaper editor, to succeed Governor Parks. However, one month earlier Secretary Wilbur had summarily removed by cable B. B. Mozee, many years in the Reindeer Service, and for several years General Supervisor, a severe critic of the Lomen methods and their relations to the Eskimo herds and ranges

Last April there were cynical smiles in some quarters, and a sense of outrage in others, when the U. S. Board of Geographical Names announced the designation of Baldwin Peninsula in honor of Leonard D. Baldwin, recently deceased. The explanation was that by his investments, his vision and his benevolence he had done so much for Alaska, the Eskimos and the great reindeer industry centering in that peninsula. One may still esteem Mr. Baldwin's high qualities as a man, a citizen and a neighbor and with no unkindness exclaim, "Shades of Seward!"

It is entirely possible to believe the assertions that the reindeer enterprise is a hobby, a vision, of Carl J. Lomen, well-intentioned and fine in its impulses, that the Baldwins were generous and benevolent, just as they were courageous when they began to invest so heavily in it, without ignoring the serious issues that have developed.

Perhaps the reindeer enterprise in Alaska has run away from the Eskimos. Perhaps it should be a great commercial industry rather than what was originally conceived for it. Perhaps it should be both. But it should not become a parallel for the young lady of Niger who went out to ride with a tiger, and returned from the ride with the lady inside and a smile on the face of the tiger. The Eskimos of Alaska are more than something for which to name an ice-cream confection, and reindeer are something other than the team that Santa Claus drives on the night before Christmas.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Burn Your Own Home!

By Paul W. Kearney

Arson, as a way out for the harassed American home owner, is becoming increasingly popular. Paul W. Kearney, who tells of the new Burn Your Own Home movement, has made numerous studies of man's war against fire.

NOT so many years back we were stimulated by the continual reiteration of that stirring slogan, "Own Your Own Home." Magazines and newspapers were full of authentic short-cuts to this goal; mailmen tottered under tons of advertising literature pointed toward this end; we even used to have an annual, national exposition exclusively for the prospective home owner's edification.

But things change. That old virtue, Thrift, has become the new vice, Hoarding; the banker, before whose marble temple we all touched our hats, is now fair game for anybody's kick in the pants; that Widow's Staff, the "guaranteed mortgage," turns out to be an hilarious little surprise package; and the ringing slogan of the Perpetual Prosperity Era has been edited to read, "Burn Your Own Home."

Or so it seems from the records, which are not a bit backward about indicating that the current transference of arson from the store to the dwelling is approaching the dignity of a national pastime. In the bereaved days just mentioned, arson was just another merchandising stunt. If you didn't sell your goods to the public, you could sell them to the insurance company, net a neat profit on an inflated policy and resume business in a new store—with a new insurance coverage.

Inasmuch as these opportunities still exist, it is not surprising that 1933 is proving the best arson year in our history. The amazing fact is that in about three cases out of five (or better), the crime is now committed in a residence rather than in a place of business. All over the country residential fires are thirty to forty per cent higher than for the same period last year—and last year they were fifty per cent greater than they were six years ago. Speaking at the National Board of Fire Underwriters' annual meeting recently, President C. W. Bailey reported a "disquieting increase" in suspicious fires among home owners all over the country, observing that it is "only too evident that many, hard pressed by mortgages or other debts, have been unable to resist the temptation to turn their dwellings into cash."

If this seems to be a mild protest at the collapse of human integrity, then remember that insurance people have long played ostrich with regard to the arson question—four out of five will still blandly deny the facts they know so well in a mistaken effort to avoid encouraging the practice in others.

For don't assume for a minute that it is confined to a few large cities: it prevails from coast to coast in towns large and small; it prevails even on the farm to such an extent that excellent authorities estimate one-third of our rural fires to be incendiary. Quite recently an official of a Federal land bank expressed dismay at the frequency with which their "demands for overdue payments are being answered by notices of fire losses."

In this Year of Our Lord arson seems to be unanimous: does the idea intrigue you?

●

Well, it isn't so enormously difficult to execute, for some of those most directly affected by a fraudulent fire seem perfectly willing to lend a helping hand. First of all, you take out $15,000 or $20,000 worth of fire insurance on your $2,000 worth of belongings—or, if you have a small policy already, treble it. Nobody will ask you why—nobody will even inquire if you own that much property. All they ask is that your premium check clears the bank.

This done, you set fire to the place, taking pains to be away at the movies, or visiting your Aunt Sarah, at the proper time. So many people seem to know all the details of arranging this feature—we have at least one such fire a day in New York and sometimes four or five—that specific advice would seem to be superfluous. Suffice it to say there are numerous methods. Professional technique may be standardized, but the amateurs are unfettered by precedent and have a wide field for the expression of their virginal viewpoints. Some follow the current mode, employing the latest dodge involving a unique application of the kitchen range—others put their imaginations to work, as did that well-to-do gentleman in the mid-west who began his plot with a study of weather prognostication.

When he became adept enough to forecast a storm he arranged the set-up. Fifty feet from his home were three poplar trees, to the tallest of which he attached a wire long enough to reach the house roof and, through a gimlet hole, a foot or more inside. To the end of this wire a cord was attached, the other end of which entered a neat little box of shavings. Head-down on a strip of sandpaper was

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

arranged a bundle of matches connected to one end of the box by an elastic band.

When Weather Bureau reports indicated the approach of a storm, our master mind then tied the cord to the match bundle, arranged a few other significant details in the attic, packed his valise and left for Chicago, 400 miles away. Three days later the wind rose, the poplar began to sway, the wire pulled the matches across the sandpaper against the slight resistance of the elastic, and they ignited. Immediately the cord burned through, releasing the wire, which snapped innocently back into the foliage of the tree fifty feet distant, and in fifteen minutes the house was a roaring furnace.

●

To be sure, the man is now in jail, but it was a swell idea, anyhow, suggesting what a field there is here for inventive genius. Some of the other amateur plants that have been tried reinforce the suggestion, but you certainly can't expect any further information without at least sending a stamped, addressed envelope!

The only catch in most of them is that you may commit the blunder made by nine out of ten amateurs which gives away the hoax to the keen-eyed firemen—but that's your lookout. If you want to avoid that pitfall, engage one of the many professionals who specialize in this work for anywhere from $200 a job in smaller communities to $1,000 in cities where living standards are higher. This will assure you a fine piece of craftsmanship with no undue legal muss to be cleaned up afterward.

In case the burden of collecting seems too complicated, then get a smart public adjuster to represent you; the woods are full of the kind who know when to hold their noses, and they seem to have no difficulty doing business with the first-line insurance companies.

To be sure, some of them slip up; indeed, it is no bromide to say that they all do in due time, and then you have a litigation on your hands, civil or criminal. But even then the odds are apt to be with you, for in many states the statutes covering arson are so archaic that an intelligent law clerk could defend you successfully. Where the ancient common law prevails, for example, arson is defined as "burning the premises of another," leaving you free to burn your own house if you like. And in other localities, the burden of proof is made so terrific that the crime is a difficult one to prosecute.

●

You'll probably get further aid, too, from your fellow-citizens on the jury and even in the witness chair, who seem imbued with the notion that it really isn't such a serious thing to stick the insurance companies: "They can afford it." Never was that attitude more graphically demonstrated than in one especially nefarious arson attempt which didn't go off exactly according to schedule. The arriving firemen saw the unmistakable evidences of a "plant," and notified the marshal. When he saw the set-up and contemplated the barbecue which had been cold-bloodedly staged for the ten or fifteen sleeping families on the upper floors of the rattle-trap old tenement, he had visions of a perfect appeal to the jury. Just to strengthen it, he went out and asked a passerby if he would look at the layout. When that civilian was duly impressed with the horror of what had almost happened, the marshal asked if he would sign a statement describing just what he saw. The civilian was willing; the statement was drawn up, signed, and the gentleman agreed to come to court when called.

On trial day the prosecutor was getting along swimmingly with his building up of the case, and at the opportune moment he summoned the lay witness to the stand.

"Tell the jury what you saw that night," he suggested.

"I saw there had been a small fire," said the witness.

"Yes, but tell them about the criminal evidence."

"I didn't see any," the witness retorted blandly.

"You didn't see these cans of fire-spreaders and these fuses judiciously placed about the premises?"

"No, sir."

The prosecutor then paused to read verbatim the statement previously signed by the man on the stand. "Is that your signature?" he concluded.

The witness agreed that it was—but averred that he hadn't read the statement; never knew its context; and never saw the conditions described therein: he had been afraid not to sign it for fear of being beaten up.

Then the prosecutor played his trump. "I notice in the second paragraph here a correction: the word 'kerosene' has been altered to 'gasoline' and in the margin appear the words, 'Correction O. K.,' and your initials. Is that your hand-writing?"

Upon the admission that it was, the case broke. And its significance here is not only to show what an impartial layman will do to help a stranger "stick the insurance companies"; it gives a quick insight into the technical shrewdness required to prosecute these cases. For the truth is the fire marshal who got that statement was an old hand; he knew human nature from bitter experience with other witnesses who had weakened at the last moment. And this time he laid the ground-work for the future by intentionally writing kerosene when he meant gasoline, and by getting the witness to initial the correction in the body of the text, he frustrated the inevitable turn-about when the fellow got on the stand and lied as the marshal expected him to lie!

The fifteen helpless families meant as little to the witness as they had to the arsonist, and that is one basic requirement of the good incendiary. A few months ago painstaking sleuthing over a period of many weeks resulted in the red-handed capture of a "torch" setting fire to a flimsy summer resort in which thirty people, mostly women and children, were peacefully sleeping. And the ghastly toll of innocent victims that has been rolled up in the past six months—fourteen in one fire—merely emphasizes this observation.

Notwithstanding this, those officials who are not afraid to push in arson cases get little help in their efforts to check this crime; in many states they don't even get help from the law itself. In those commonwealths operating under the "valued policy" law this erstwhile safeguard for the policy holder has become a standing invitation to the incendiary. There no proof of loss is required; the face value of the policy must be paid without argument in a

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

total loss fire even if that be twenty times the worth of the property destroyed—and the insurance people offer no curbs to the amount you may buy. Elsewhere the loopholes already mentioned exist in profusion, and the consequence is that the most meticulous cases must be built up at a great cost of money and energy. Thus we see a force of skilled men slaving night and day for eighteen months on one job; a crack sleuth living with his quarry through a journey of more than 3,000 miles through many states before breaking the case; another working in imminent danger of discovery by a notorious gang for a whole year before getting evidence that would hold water in a court that seems to give all the odds to the criminals if they happen to be arsonists.

These tough cases, to be sure, involve professionals. The amateurs who try this racket usually put their foot in it, except when they hire experts, and the story is apt to be different from every angle; especially from the angle of the average man who discovers that this stealthy threat has now moved uptown from the mercantile district and is playing around his own restricted residential neighborhood!

In view of this situation, it seems time that we took our head out of the sand and did something constructive to check this menace. Lots of suggestions have been made, of course. The underwriters, in convention assembled, mildly deplore the condition; governmental agencies mention it in their reports; chambers of commerce pass resolutions condemning the "Burn Your Own Home Movement," and loudly demand simplified laws; but so far very little has been said that gets right to the heart of the problem. The bitter truth is that the general laxity of the insurance companies is the fundamental cause of arson, and the sooner everybody admits and remedies that, the sooner we'll have a cure.

Anybody can buy an insurance policy, as big a policy as he wants to pay for, and no questions asked. The classic demonstration of that was made some years ago when several investigators were granted policies totaling $127,500 on property actually worth $3.96; and the same thing has been repeated time and time again in actual litigation. Here is an incendiary fire on $25 worth of household stuff insured for $1,400; another on $990 worth insured for $5,400; another on $2,600 covered for $140,250; still one more involving $5,600 worth of belongings insured for $255,000; all actual arson cases fought out in court.

Why do the companies permit such gross over-insurance? Apparently because they can't bear to disappoint an applicant!

They say, of course, that if a man is damn fool enough to pay those premiums, why shouldn't they take them and prove fraud when the time comes? The answers come thick and fast, but three are enough. First, the man who is willing to pay such premiums is not a damn fool but an obvious crook, and if the insurance company bothered to find out just how much he was over-insuring they'd know it without waiting for the fire. Second, the taxpayers who support the policy and the courts are the real damn fools: they foot the bill for the belated proof of fraud. And last, but not least, the attempts to prove fraud are so seldom successful; so the taxpayers not only pay for the futile prosecution, but for the insurance loss out of premiums which have been scaled to cover such contingencies!

They don't do it that way in Germany. There you are put through the ropes when you apply for fire insurance, for there it is something to *apply* for, not something to snatch off the bargain counter. Consequently, they have no arson. Neither would we, if we exacted one-quarter the preliminary precautions in fire insurance that are enforced by the life insurance companies. Totter into any life agency with a couple of rawls in your lungs and a knock in your heart, and see what happens to your application. Then, for contrast, go to the nearest fire insurance agency with a comparable record of ten, or a dozen, suspicious blazes to your credit, and a request for a policy that is palpably inflated—and you'll get the insurance. If you are disposed to doubt it, remember there are no arson fires in uninsured places.

It would seem, therefore, that the first attack on this spreading crime of arson would be to exact from the applicant, as preliminary requirements, some proof of good character as well as some proof of *possession,* rather than ultimate proof of *loss.*

The second offensive should be against the public adjuster: the fellow who stimulates arson in the minds of the susceptible and the personage without whom no arson ring could profitably operate. In many states anybody can be a public adjuster if he has the proper letterhead; all he needs to exist in this juicy fraud of inflated claims is a client willing to sign a false affidavit—and share the plunder. And until we have universal and stringent requirements covering operations in the field of adjusting fire losses, plus rigid licensing systems to give a check-rein on the adjuster, we will continue to see this unofficial agent the chief factor in incendiary fires.

The wayward ones, to be sure, could be checked even without such measures if, again, the insurance companies themselves would put up a united front. But they don't. Instead, they do business with all and sundry—not only with those who are unknown, or merely irresponsible, but in case after case after case where the adjusters have unmistakable records of questionable transactions, inflated claims and fraudulent dealings. One such individual, indicted in Pennsylvania, moves to an adjoining state where no regulations hamper him and resumes business. In another state a client double-crossed a crooked adjuster, refused to split the spoils and then tipped off the authorities when the latter got troublesome. That adjuster is still in business. In still another instance the adjuster's depredations got so raw that he actually went to jail for them. After his release he set himself up as an insurance agent; he still functions as such; and the odds are ten to one that the same companies he defrauded are again accepting business from him—with their fingers crossed!

With hundreds of such examples of this noble willingness to forgive and forget, which, incidentally, operates to the direct deprivation of honest insurance agents, it is clear that a twice-burned insurance company is never afraid of fire, or crooked adjusters.

As long as that situation prevails, arson will continue to increase, offering a greater threat to the property and life of the average innocent man and levying a steadily mounting tax on his anemic check-book for the support of more and better prosecuting officials. When that situation is remedied by an improved viewpoint among those most directly concerned with the arson problem, we won't need the much publicized Model Arson Law, because arson will then have lost its principal zest and the "Burn Your Own Home Movement" will collapse for lack of profit.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Our New Masters—The Trade Associations

By Reavis Cox

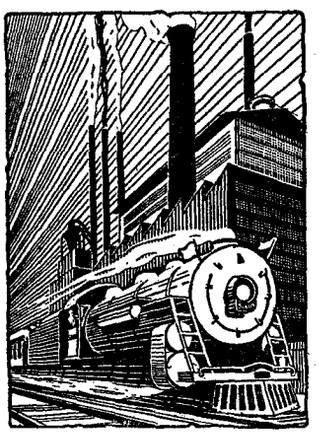
Reavis Cox, financial writer and lecturer at the School of Business, Columbia University, calls the trade associations the new masters of our commercial destiny. Mr. Cox has made trade associations his special research subject.

SINCE President Roosevelt's national industrial recovery bill has become law, debate over its wisdom is futile. What Congress should or should not have done no longer matters. The immediate problem we face is that of ascertaining where we are likely to go now that we have started.

As I write, there is still considerable confusion, but from one quarter come sounds indicative of energetic and purposeful activity. The trade associations, which will share with Federal officials in the government of industry, are rapidly whipping their plans into shape. Two weeks before the President affixed his signature, more than 130 associations had drawn up tentative agreements in accordance with the terms of the proposed law. More recently unofficial reports said that 300 had drawn up codes, and that another 300 were expected to do so shortly.

A great many, perhaps most, of these trade associations must reorganize to some extent before they can take advantage of the opportunities now opened up to them. They are, none the less, established institutions and as such they will provide the principal body of continuing traditions in our new control over industry. We shall therefore do well to become better acquainted with their ways, if we want a key to the future.

Exactly how many trade associations there are depends upon what is meant by a trade association. American business men support several thousand organizations of one sort or another, but only a fraction of these are affected directly by the present law. The type of organization to be considered here reaches beyond the bounds of a single state, is usually a national, or international, organization, has a membership consisting of business competitors and operates on a non-profit basis to promote its members' mutual economic interests. Such associations have been calculated by the competent to total anywhere from 800 to 1,800, the probability being that the true number is somewhere in the neighborhood of 1,000.



Their early history is obscure, but of those now in existence none had its beginning prior to the Civil War, and the great majority have made their appearance since 1900. For many decades their principal purpose seems to have been to evade, if not actually to violate, the anti-trust laws or, in earlier periods, the common law rules against restraint of trade, so that their record for half a century was one of constant battle with the government. Not until the World War did the situation change. In that emergency, endeavoring to mobilize the industry of the country behind the armed forces overseas, the War Administration found itself obliged to encourage rather than suppress associations, and thereby caused them to grow great in number and in power. The post-war adjustment weakened this mutual trust, but, thanks to the precedent of the war and a more generous attitude on the part of the courts, the associations, although their numbers had at this time begun to decline, found themselves solidly established. At present, all the major and most of the minor industries have at least one association which can serve as a nucleus for action under the National Industrial Recovery Act.

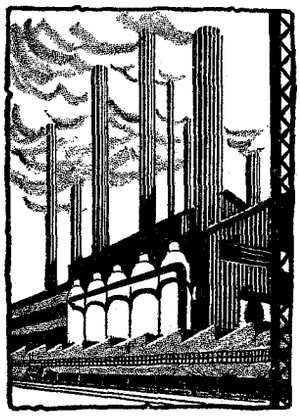
●

This is all very important, but what is most significant from our point of view is not their number or extensiveness. As the war showed, they can readily be set up when needed. What is most significant is their personnel, for their policies will inevitably be moulded from the hopes, desires and purposes of their predominant members.

It is necessary to remember, therefore, that fundamentally these associations do not represent our economic machine in anything remotely resembling an inclusive fashion. They do not even adequately represent individual industries. For their membership does not come from every class which is vitally affected by the industry in question. On the contrary, it is virtually without exception drawn from one single class, the employer-managers, who represent the nearest approach we have to what the economists like to call the "entrepreneur."

Clearly, then, the large powers which the recovery act gives to trade associations are in reality put into the hands of one single element of the population, an element which, although exceedingly important, is numerically small. How small can readily be seen by running over a list of the important groups not represented on the association rosters. Laborers and farmers will come to mind at once, but there are many others. Members of the professional and semi-professional classes, for example, government employees and other white collar workers. Then there is that huge

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



and important class which appears in the census reports as housewives, and that perhaps still larger class which we can best denominate as the dependents. Nor can we overlook the vast class of unemployed. Besides all these the number of men eligible to membership in trade associations shrinks to insignificance, to say nothing of the number who actually take an active part in association affairs.

The small group whose already existent control over industry has been thus fortified is animated by a business philosophy with some very pronounced characteristics. It is, for example, permeated with the bitterness which inevitably grows out of a direct experience of the claw and fang battle concealed under the commonplace word competition. As a consequence it is eager to ward off the inevitable unpleasant effects of competition, such as elimination of the unfit from the industrial scene and the writing off of capital which has been unwisely invested in fixed assets that cannot pay for themselves.

The employer-manager group is further characterized by a tendency to measure everything in terms of profit. To the employer-manager, the end and aim of his business existence is the largest possible aggregate money profit. "Waste" is anything which makes the profit smaller than it otherwise might be. "Unfair competition" is any method used by competitors which reduces profit. "Destructive trade practices" are ways of doing business which reduce the average profits of those in the industry, and *vice versa* "constructive trade practices" are those which make for greater profits all around.

●

From this it follows that the employer-manager has a decided preference for monopolistic methods. It is a commonplace to say that business naturally tends toward monopoly. The reason is simple. Monopoly is the easiest way of avoiding the incidents of competition from which the business man suffers and of putting his income at a maximum.

This philosophy explains the frequent recurrence in trade association history of attempts to control prices by coöperative methods. Trade associations have long performed many valuable services only indirectly related to prices. The list of their activities is imposing. It covers such functions as standardization and simplification, collection and dissemination of statistics, encouragement of sound accounting methods, elimination of frauds and arbitration of trade disputes. Nevertheless, in moments of candor, association executives admit that the one subject which interests all their members all the time is prices. So it is that there has been a long succession of efforts to control prices.

Early in the history of the movement came the pools, where competitors crudely fixed prices, or apportioned business. More refined methods appeared later. For example, there was the "open-price association," which avoided explicit agreements among its members but achieved the same result by having them meet in ostensibly open sessions to discuss past policies and prices in great detail. Then there were the attempts to use cost accounting and the collection of statistics as covers for unlawful agreements to control prices, or production.

Even the Federal Trade Commission got itself into an embarrassing position three or four years ago by forgetting the avidity with which business men seize upon an opportunity to restrict price competition. Apparently with the best intentions in the world, the commission organized what it called the "trade practice conference" as a method of eliminating unethical and unfair trade practices. Members of an industry assembled, usually at the instance of some trade association, and drew up a code of ethics which it was assumed the commission would enforce. What the business men considered "unethical" soon became apparent, as all the codes came to include provisions regulating prices. The trade practice conference immediately became phenomenally popular, and the commission, which had been established to enforce the anti-trust laws, suddenly found itself sponsoring a wholesale movement to evade and violate them. The retreat it beat was neither graceful nor dignified. It is of great interest that after the storm over the commission's change of front died down, the trade practice conference virtually collapsed. The business men had lost interest.

These movements have not as a rule frankly avowed their purpose to be price-fixing so as to maximize profits. On the contrary, they are usually designed to "stabilize" prices. But, as the commission itself has remarked, "The use of the word 'stabilization' in business with reference to price tends to have a somewhat specialized meaning." To business men a stable price is not only one which fluctuates little but one which holds steady at a relatively high level. It is, in a word, a price which seems desirable to the seller, for business men generally, and trade association members in particular, tend to think of themselves chiefly as sellers, not buyers.

Fundamentally, what the ordinary business men would like is: first, to do away with risks so as to make profit certain; second, to suspend competition so as to make this profit "reasonable" from the point of view of the recipient; and third to be protected from changes in business techniques which threaten to destroy him by transferring his functions to some more efficient competitor.

●

Since association members cannot transform themselves overnight, even if they wished to, it is hardly surprising that the Administration in Washington has found itself forced to warn them that labor must come first in the present emergency. *"The New York Times"* assures us that "Those groups which believe that all they have to do is to draw up codes, increase prices and run down to Washington for Federal sanction are due for a 'rude awakening.'" Nelson B. Gaskell, former member of the Federal Trade Commission and now president of the Lead Pencil Institute, warns the National Association of Cost Accountants that in the beginning it will be necessary for "industry to loan money to labor in the form of wage increases." President Roosevelt, in the statement which accompanied his signing of the measure, asks industrialists to increase wages immediately and delay price advances, depending for their remuneration upon the expansion of business which he believes will follow within a few months.

The results of this pressure may be found in the fact that nearly all the publicity emanating from the associations

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

DRURY COLLEGE LIBRARY

emphasizes the advantages which coöperative activity is to secure for labor—more employment, shorter hours, higher wages. But down in the body of the announcements, after due obeisance has been made to labor, come the proposals designed to catch the support of their members—control of output to prevent "over-production," maintenance of "fair" profits, elimination of "unfair" competition and "predatory" competitors, elimination of "uneconomic" prices and all the other circumlocutions which denominate the power to fix prices in coöperation. Throughout their history trade associations have returned repeatedly to one range of activity—the effort to determine prices by coöperative, as distinct from competitive, methods. It would be asking the impossible to expect them to give up what they have wanted all these years just when it seems to be within their grasp.

Perhaps the clearest indication of what we may expect is given us in the instance of Appalachian Coals, Inc. This organization, a coöperative selling agency formed by a group of important bituminous coal producers, was attacked in the courts as being in violation of the anti-trust laws but received the official approval of the Supreme Court last March. Chief Justice Hughes, in writing the decision, said that the organization was approved because it was designed to correct very serious evils which would persist as long as the industry remained freely competitive. He argued that while the organization would "affect" prices it would not "fix" them. If *"The New York Times"* is to be relied upon, prices were "affected" to such an extent that industrial buyers within six weeks after the decision were paying prices 75 to 100 per cent higher than those which had prevailed before. What makes this instance applicable to our problem is that the directors of the organization, at their first meeting after the decision was handed down, had announced their first objective to be the improvement of labor conditions.

●

Any substantial effect on prices will inevitably produce reactions by purchasers which must be taken into account in an attempt to assay the prospects of the recovery act. Before they reach this hurdle, however, the trade associations must overcome at least two difficulties which are inherent in the plan itself.

One is the dampening effect of the requirement that industries must permit their workers to organize and join unions of their own choosing before the government will approve their codes of ethics. The overwhelming mass of American employers, and therefore the predominant sentiment of the trade associations, is uncompromisingly in favor of the open shop. In fact many trade associations have been formed for the specific purpose of combating unions. Reversal of this opinion will seem a high price to many employers to pay for even the privilege of fixing prices, especially so since two or three months of seeming improvement in business have weakened their fears that the country's civilization is about to collapse.

We should not be deceived by the fact that the National Association of Manufacturers, perhaps the bitterest opponent of the unions in the country, has approved the recovery act. Robert L. Lund, president of the association, in giving the act his official blessing, said he had received "every assurance that the law will not be so administered as to upset existing satisfactory employment relations." Similarly Henry I. Harriman, president of the Chamber of Commerce of the United States, announced that approval of the act by his organization did not imply surrender of its belief in the open shop. No industry has been more determined in its support of the open shop than the steel industry, yet former Secretary of Commerce Lamont, speaking as president of the American Iron and Steel Institute, has voiced the belief that the Administration will find its labor policy acceptable.

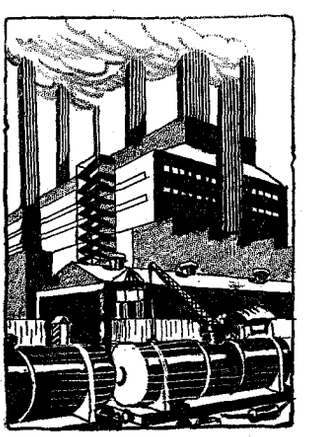
If the Administration merely insists upon wage increases, there will be no great complaint. Association members may even accept the company union. But it will take a startling reversal of position to result in their acceptance of any real advance for the principle of collective bargaining. Since agreements will be voluntary in so far as the majority of any industry is concerned, this alone may be sufficient to prevent any great degree of real coöperation.

●

The second major difficulty to be overcome in putting the recovery act into effect is the weakness of trade associations themselves. It is by no means certain that these associations can stand the strain of the new duties to be given them. Since the recovery act has been before Congress, statements have been made repeatedly that many of them must reorganize before they can take full advantage of the law.

Causes of their weakness are numerous. Many of them have never performed very important functions for their industries, some being little more than social organizations. Some are handicapped by having too small a proportion of their industries in their membership. Competing and mutually jealous organizations in a single industry are not uncommon. Many associations are weakened by internal dissension arising from such forces as having a membership divided between very large and very small concerns which fear, or despise, each other; conflicting business policies of members; personal jealousies and dislikes; sectional rivalries; and domineering policies of a few insiders. A great many associations have been inadequately financed. Paid executives of associations are not infrequently incompetent, vacillating and opportunistic. Not a few associations have been handicapped by the creation of vested interests in the form of jobs, paid or volunteer, held by men who stand in the way of changes likely to affect their personal positions. And these are the organizations which now become the masters of our commercial destiny.

It must also be remembered that agreements to control prices and output, to apportion markets, and the like, even under government sanction, themselves stir up strong feelings and lead to dissension, if not to ultimate dissolution. The records of many European cartels, which to some extent have served as models for our present experiment, show how stormy and ineffective supposed cooperation can be.



There are some strong associations which probably can stand these new strains. Also there are a good many industries in which the formation of strong associations will be comparatively easy, chiefly the basic in-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dustries in which operations are conducted almost entirely on a large scale, and industries in which there is some strong foundation for monopoly control, such as a limitation of the raw materials available or the ownership of fundamental patents. Nevertheless, there seem to be a great many industries in which such organizations can be achieved only with difficulty, if at all.

There remains a fundamental question. Let us assume that all these difficulties are overcome by substantially all trade associations, or alternatively, that a strong trade association is set up in each of the important industries. Presumably the entrepreneurs as a class will then be able to wipe out "unfair" trade practices, to restrict competition to that which is "constructive" and "ethical," to eliminate "waste," to maintain prices at "fair" levels and so to assure themselves a "reasonable" profit. We still must ask: would the "New Era" into which we should then be catapulted be based upon a stable economic organization destined to survive for a long period to come?

Further analysis compels the conclusion that it would be anything but stable. In setting up strong trade associations under the recovery act, the business men will also be setting up forces which inevitably must lead to the collapse of the entire system, or to the substitution of a new system in which the voice of the entrepreneur will be only one among many.

Perhaps the first of these forces will be an intensification of the bitter feeling which already marks the relations of different industries, or of different segments within an industry. There are almost countless instances of this bitterness. Look, for example, at the mutual recriminations of the "independent" oil producers and the Standard Oil companies, or at the hostility among, and within, the major groups of the food industry. As a matter of fact, not a few trade associations have been formed for the specific purpose of exploiting such hostilities. Executives have found here a most fruitful means of keeping their membership interested. As J. H. Neal, of the American Paper and Pulp Association, told fellow executives a few years ago:

"It is not a bad idea now and then to start a war, or pick a fight, legitimate, of course, but find something upon which the entire membership can unite in a self-defensive way, or in an offensive way, that will give a feeling of unity, a feeling of fraternity in the presence of something which endangers the business of all of them, or which will benefit the business of all of them."

This bitterness will grow even stronger when the associations begin to come up against the price policies of other associations. In the instance of Appalachian Coals, Inc., buyers of coal could respond to the price advances by switching their buying to independent operators and to other fields, perhaps even to other fuels. Under the recovery act, buyers will not be able to avoid the price increases and it may be taken for granted that their pain will be only partly assuaged by the right given them to raise the prices of their own products. An amusing incident is the recent rage of Secretary of the Interior Ickes when he received from ten producers a uniform bid of $1.29 a barrel, 20 cents higher than had been asked previously, on cement to be used for the construction of Boulder Dam. It is hardly necessary to say that cement is one of the many products the producers of which object to "unremunerative" prices and "uneconomic" competition. Since one of the purposes of the recovery act is to increase prices and make them more uniform, it seems a little unreasonable that Secretary Ickes should file before the Federal Trade Commission a complaint against manufacturers whose only crime is that of anticipating the recovery act by a month or two.

Another important force operating against stability of the plan will be the extreme difficulty of controlling, either concerns which join the associations but violate their codes of ethics, or concerns which refuse to join but want to remain in, or to enter, the industry. Those who pin their faith on the President and his power to license, or refuse to license, enterprises overlook both the complexity of the problem and the weakness of a democratic government as the agency for enforcing this particular kind of regulation. It will be extremely difficult, if not impossible, to make several hundred thousand business men voters who are not used to being bossed reform their private transactions to conform to a coöperative code. Similarly the pressure a political organization will be under to grant a license to anyone who is a voter will be terrific, particularly in a country where the prevailing thought unquestionably is that anybody has the right to go into any business he sees fit to enter.

The fundamental working of free competition as it affects price is to attract new people into an industry if those in it keep prices too high. The lowest bidder wins. With prices higher than necessary to attract new people, pressure from those who want to come will be tremendous. It will be still greater if the absorption of the unemployed back into industry is not faster than seems likely at present. Almost every man who is willing to invest his money and his talents for returns smaller than those prevailing under the scheme, almost every man who, whether justly or not, sees himself kept out of a job by government fiat, will be a voter and have friends who are voters, and so will be extremely important to those who live by winning elections.

By far the most important force working against the stability of the plan, however, is going to be the reaction of the non-entrepreneurs. Most plans of this sort seem to proceed on the assumption that there will be no such reaction. This reveals an amazing lack of foresight. If there is one thing sure it is that any real success in raising prices and reducing production will bring a storm of protest from vast numbers of people.

As regards the rise in prices, for all the verbal assurances to the contrary, it is virtually certain that prices will rise faster than incomes of non-entrepreneurs. Farmers and laborers are made special subjects of interest, and through government interposition may find their monetary incomes rising equally with prices, although this is doubtful. Even if this happens, it is necessary to remember that a rise in the cost of living bulks larger in the average consumer's mind than an equal advance in income, because the income advance comes at infrequent intervals and is soon taken for granted, while a rise in living costs makes itself irritatingly manifest in successive small increases in the prices of a great many commodities. Furthermore, there are a great many people who are not entrepreneurs, nor laborers, nor farmers, and will not be protected on any price advance.

As regards the reduction of output, it is necessary to remember that this is merely a circumlocution for reduction of living standards. Fundamentally, we are all consumers of goods and services. Putting industry into the control of individuals whose intention is to reduce production, each in his own sphere, will necessarily mean a smaller volume of goods and services to go around. The loss will not be

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

equally shared, but the mathematics of the problem is simple. If there are fewer goods and services, the average per person must be less, and millions of individuals will find themselves with a reduced standard.

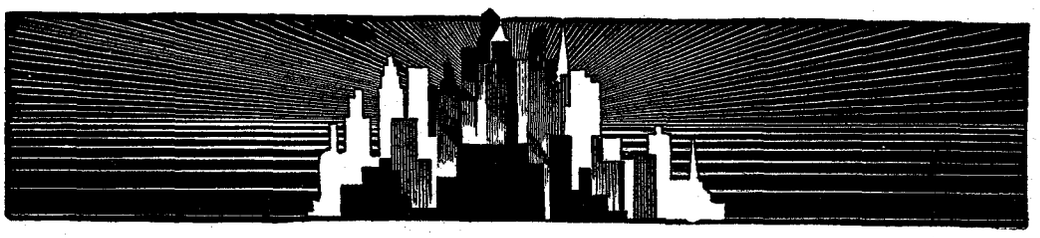
If there is any one thing a study of the problem of monopoly shows it is that the vitality of the anti-trust laws is not accidental. Monopoly has been fought by the English-speaking peoples for more than 300 years. Time has amply justified the distrust thus evidenced. Why should a mere change of name and form, and a formal promise to be good, wipe out this distrust? The main interest of the entrepreneur is in a "fair" profit and his idea of fairness is high. He is not going to change overnight.

It seems necessary to conclude then that we have not entered into a new era likely to show any substantial stability. Prophecy is hazardous in the extreme, but it may be safe to assert that no system can survive which puts centralized power into the hands of compact groups representing a small element in the population and dominated by the profit motive. Inherent difficulties of the recovery program may bring it to nothing, so that its net effect will be merely to take business men's minds off their troubles until business revives of itself, as it is now giving some evidences of doing. If business does not recover of itself and the recovery act in time really amounts to something, it still can hardly be more than the preliminary to other more drastic governmental moves. The Socialists, who have been hailing the death of the economic organization which has hitherto prevailed, foresee a natural evolution under the recovery act from the imperfect control of industry by discordant trade associations to a centralized control of industry by "society." If this happens it will come as a severe disappointment to business men, who have looked upon the trade associations as a means of stopping further government control of industry.

What form it will take, no one can say. Conceivably, we may have more and more organizations, as groups not represented in present organizations try to assert their power, or to protect themselves. This would probably tend to break down eventually under its own weight. We might drift into something closely akin to the guild socialism which has been advocated by some thinkers for many years. We might go on into a much more centralized planning scheme based in some degree upon the Russian pattern. Whatever the form, two elements would unquestionably be present: the non-entrepreneur would be heavily represented and the dominant point of view would be that of the consumer rather than that of the producer which is dominant under the recovery act.

All this is based on the assumption that the approximation to the competitive system under which we have been living has really collapsed. We have been afflicted of late with a great mania for thinking in grandiose but vague terms of social control. It may well be that when and if the recovery act begins to operate effectively, the overwhelming complexities of detailed economic control will bring the virtues of free competition back into view. For all our dictators and our government interferences in business during the war, the fundamental trend of the age is toward democracy. The continued spread and improvement of education and the continued improvement of transportation and communication stand in the way of attempts to reverse that trend. It may be, of course, that the path of democracy lies through socialization of industry with democratization of control over business units. It may, on the contrary, lie in a return to the ideal of free competition, a removal of the artificial limitations on trade which have impeded it for so many years.

Time alone will tell. There is nothing much we can do just now but wait and see what happens. Under the stress of circumstances we have embarked upon a course the end of which it is impossible to foresee, an end which it may be impossible to foresee for a good many years to come. All that seems certain is that this is not the last step, and that the next step, whatever it may be, is apt to displease the business men who have most enthusiastically advocated the present one, because it will involve destruction of the dream that they have at last brought into existence a new era in which their specialized ideas of ethics and fairness will prevail.



PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Skin-Deep Game

By Charles M. Bayer

The exploitation of feminine beauty as a racket of American cities and as a means to balancing municipal trade budgets is discussed by Charles M. Bayer, who is a member of the editorial staff of the "New York American."

THE cities of the United States need to be taken in hand for a good talking-to. They're in danger of surrendering again to the siren-like lure of that strange institution, the beauty pageant.

Retrenchment, Federal loans and a general assumption of economic sanity have alleviated some of the more brow-puckering municipal problems. Here and there, the Depression seems to have run up the white flag and to have decided to pack up. All in all, the clouds are wafting aside and the sun is beginning to rift through. But some communities, even while progressing, are retrogressing. Atlantic City has been the first to backslide. About fifty others, coöperating in Atlantic City's restoration of the silly, expensive and rancor-breeding beauty contest (for these are holding local circuses preliminary to the grand show at the seashore), are courting the disasters that are inevitable concomitants of these so-called "pageants of pulchritude."

For a time, it really seemed that this phase of 20th Century Americana had been left behind. The Depression, the ennui with which the present day, blasé male casually appraises the undulance of the feminine form divine, and the municipal embarrassments that have attended beauty contests, combined to put them out of business.

For sad and abundant reasons, Atlantic City, Galveston and Miami in the past several years went decorous and took the pledge. When they quit, it meant an end to beauty contests in scores of other communities. For these three were the key centers. When they desisted there was no purpose in local contests in minor municipalities that previously had put on their little shows with Atlantic City, Galveston and Miami as the inspirations and the ultimate objectives.

But the backsliding era is on. Atlantic City, to take up a horrible example, is warming over the old potato. The spud will be served, in daily portions, with savory garnishments, from September 5 to 9, inclusive. Let's see, digging into the past, what this portends, if the infection spreads.

Atlantic City has been impelled again by an irresistible, altruistic urge to a further "glorification of young womanhood." These words of purpose are the promoters' own, solemn assurance. True enough, the impulse is characterized by an unaltruistic ear alertly attuned to the happy melody of the cash register. Nevertheless, the golden apple is bounding around again. A genteel and gentle racket has been revived.

Some fifty-odd figures (the reference is numerical, not anatomical) will mince and wiggle and pirouette around the Convention Hall. One happy Aphrodite will sweep into the sublime, albeit unimportant, ecstasy of evolving from a stenographer's desk to the throne of Miss America, the emoluments of vaudeville appearances and the excitement of myriad proposals. Half a hundred Heras and Athenas will suffer the tortured anguish of defeat in that quest in which no woman can endure defeat. Fifteen judges will live to rue their temerity and their disposition of the Apple of Discord. For hell hath no fury like unto that of forty-nine beauties scorned. And, in the sanctuary of his ancient grave, the late Mr. Paris, progenitor of beauty judges, will chuckle at the folly of his successors.

Worst of all, Miami, envious of the publicity grabbed by Atlantic City, and Galveston, fearful lest the other two get a break, may go haywire once again and also resume the beauty contest racket. Which would mean that scores and scores of American communities, and thousands upon thousands of girls, would depart entirely from mental equilibrium and return to the distorted glamour that in past years wrought broken hearts, municipal anguish and the exploitation of communal and individual vanity.

●

It is a curious quality of the bathing beauty that there is no requirement of surf or lake in her experience. She may emanate from a most arid desert and achieve the accolade of the jury in a bathing beauty contest. The phrase, "bathing beauty," has become a generic label. Just as in Spain, where myriad Misses Universe and Misses America and Misses What-Have-You are constantly portrayed in the press, the word "Miss" is translated into "beautiful girl." Chagrined competitors in beauty pageants, bitterly reflective on the imperfections of their successful rivals, may consider the translation over-generous. But it remains an old Spanish custom.

It takes no more persuasion to set off a beauty contest than it does to set off Huey Long. The National Association of Retail Grocers on June 29, last, topped off its

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

convention with a "pageant of pulchritude" in which twenty-seven lissome lassies wove sinuous hips past the judges' stand. Just how a grocer qualifies as a discerning expert on beautiful women, and just how his sale of wash-tub soap may be increased by provoking such a competition, are problems for the Einsteins and the Millikans. Possibly the allure of the promised parade swelled the attendance at the convention. Perhaps the grocer needs the exulting sensation of tossing off the counter apron and stepping into a beauty judge's toga.

●

Beauty pageants are begotten in an atmosphere of reckless optimism. They descend, invariably, into rancorous discord. They court acclaim and achieve disdain. Fifty entrants in Galveston mean forty-nine losers, forty-nine potential knockers for Galveston. The morning after the night of the award, the promoter isn't interested in ham and eggs. His menu is bromo-seltzer and aspirin. His solace, and it must be confessed that it is an important appeasement, is that during the pageant no grass grew in the cash drawer. That, for the promoter, is both test and triumph.

Glorification of young womanhood is dated to begin on carefully selected occasions. In Atlantic City, for instance, it always has been the day after Labor Day. The Fourth of July never would do. For the Boardwalk is crowded then anyway, with no need of recourse to special spectacles. Labor Day, on the other hand, is the traditional end of the vacation season. It may be 105 in the shade at home, but on the first Monday of September the time-table is the vacationists' Bible. That doesn't sit well with hotel men and merchants and ice cream stores at the popular shore resort. Hence, the pageant opens right after Labor Day. Keep 30,000, or 20,000, or even 8,000 folks, from hurrying home and you've got something in the bank book that you wouldn't have had if the pageant were run in August. Induce them to stay out the week, the 8,000 folks, say. Multiply 8,000 people by five days by ten dollars a head a day. Even an anemic training in arithmetic will throw enlightenment on the altruism back of the glorification of young womanhood. It's a racket in Atlantic City. It's a racket in Galveston. It's a racket in Miami. And it's a racket, too, if held in Kenosha.

●

Atlantic City, which founded the custom, is at it again. But, in 1928, it quit. Pulpits had declaimed. The press had ranted. Defeated beauty pageant entrants (there were only seven winners but some 300 losers in seven years of the circus) had returned home to spread bad words about Atlantic City. The municipal treasury, which still clamors for the greater part of it, had experienced an altruistic urge of its own and one year loaned the pageant $50,000. Side-street hotels had complained of their empty rooms, mentioning, by way of comparison, the full rooms of the Boardwalk inns. Local churchwomen had wagged bitter tongues about the goings-on of the beauties at waterfront cabarets. Twenty girls had disrupted one pageant for a day because ladies of the stage had been permitted to compete against their amateur and untrained pulchritude. Grumbly old men with so much rheum in their eyes that they couldn't make out the figures of the parading ladies had complained that the procession prevented their matutinal strolls on the 'Walk. So Atlantic City reluctantly gave up.

Galveston was in the throes for a dozen years until the Depression accorded a fine excuse for quitting. Galveston went at it in a big way, in an international way. It drew from Europe and South America and Canada and the United States. To be sure, Siam and Luxemburg and Manchuria were overlooked in the invitation. Possibly, Galveston was a bit presumptuous in acclaiming a "Miss Universe."

Bishop C. E. Byrne, of the Galveston Roman Catholic Diocese, had words for it. " An uncouth, vulgar display that no Galveston lady would enter." Powerful words. So powerful that they induced Miss Poland and Miss Ireland to tear up their invitations to Texas. And one girl stirred up such a fuss over another girl's selection that the dust hasn't settled yet.

Miami went in the hole $24,000. It paid $4,600 to ease stranded beauties out of town. It was sued for railroad fares by the Seaboard, which revealed that Misses New York, New Jersey, Pennsylvania, North Carolina and Louisiana all emanated from Shamokin; that Miss Virginia was a Bangorian, at birth, if not at heart; that Miss Nevada lived in Dallas. Miami's *Miss* America proved to be a married woman. Now, it is a profane circumstance for a beauty to be married. If she had a husband, then it follows, in the philosophy of a pageant committee, she cannot be a bathing beauty. She may not first walk to the altar, and then later parade before the judges' (beauty) stand. But this Miss America did; and then there was trouble in Miami. She wouldn't return the $2,500 prize, nor the crown. At long last, they found that Miss No. 2 also was ineligible. So Miss No. 3 skipped right over Miss No. 2's head, shoved No. 1 out of place and herself became No. 1. Einstein can figure it out. Miami has quit. It will rest its case, in luring trade, on climate and beach and palms. It is done with the things called beauty pageants.

Organization of a beauty pageant is an enterprise of considerable scale. Preparations go on for many months. Agents travel to far cities to arrange local tests. But the nearer communities get the bigger play. This is done for a special, monetary reason. The resident of Dallas is more likely to go to Galveston's "Pageant of Pulchritude" than is the citizen of Portland, Me. The vacationist can be lured to Atlantic City more readily if he lives in Pittsburgh than if his home is in Los Angeles. The necessities of the record require entrants from remote corners, so that the contest may have the appearance of a true cross-section. But the real quest for entrants is in communities from which the pageant cities draw their greatest patronage, the municipalities within inexpensive railroad distance.

In fifty cities, or sixty, the contests go forward. A local newspaper may conduct one. It's good circulation stuff. If the newspaper, bewildered by the raving from the pulpit and the threats of subscribers, refuses to run the show, the local movie house will. The movie house isn't too squeamish about the moralities of bathing beauty parades. It's good box office business. And the publicity is assured,

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

even in the newspaper that didn't dare handle the contest on its own. For the movie house does some all-year advertising. And so, throughout the land of the fair and the brave, thousands of conceited girls primp and preen and prance. Miss Main Street emerges. Her boy friend immediately gets the go-by. The prospective Miss America is bent on a millionaire husband now. The boy friend is deserted at his soda fountain. Miss Main Street struts about with her nose in the clouds, her "a" becomes an "ah," her pinky finger is promptly trained to extend at right angles from the cup of tea, her lithe figure is accoutred in a dress given by the Elite Department Store for promising to make an appearance there at "3 o'clock next Friday." Her mother giggles that Miss Main Street takes after Miss Main Street's mother. And Miss Main Street's old man, thumping a new slug of plug cut in his corn cob pipe, angles stockinged feet on the table edge, grunts words about damned idiots and turns to the sporting page.

Railroad tickets, for entrant and mother, arrive. The Mayor of Main Street writes a letter to be delivered by hand to the Mayor of Pageant Town. The Chamber of Commerce holds a luncheon. One hundred and eighty-three heart-broken candidates for Miss Main Street's sash wince and whisper and toss in their sleep. Miss Main Street's mother complains to Miss Main Street's old man that it's a crying shame the way the next Miss America's father conducts himself at home. Miss Main Street's old man shuffles off to the speakeasy and buys Miss Main Street's boy friend a slug of straight rye. The band gets raucous at the depot. The young lady wafts a haughty kiss at the cheering crowd, straightens out the sash, emblazoned, in gold, "Miss Main Street," and gingerly follows the porter to the first Pullman chair of her life. And Pullman Porter George grins. He has seen them come back—without the sash.

Fifty beauties, with fifty sashes and fifty letters and fifty heaps of conceit, trek into the Mayor's office in Pageant Town. They appraise one another—and themselves. Hopes thud. Nothing so discourages one beauty as a view of another beauty. There are parades and dances and dinners and fanfare and interviews and radio talks and silent prayers—and humiliating elimination tests. It's a tough thing to go back home without the title of Miss America. It's much tougher that the folks back home, particularly the 183 competitors she had beaten, have heard that Miss Main Street didn't survive the quarter finals.

The beauty judges have done their duty as they have seen it. Forty-nine losing ladies make chagrined estimates about blind judges and ungentle comments about the tendency of the winner's knees to knock. Not to mention her peroxide hair and the wiggle of her hips and the phony complexion of her skin and all the other defects that forty-nine losers always can discern in a winner. The Golden Apple of Discord rests in Miss America's palm. Some Miss Main Street is now Miss America. She broadcasts about her regimen of milk and church and her early to bed and her adamant refusal to have anything to do with cosmetics. (Next week's advertisements will carry her testimonial to a lipstick.) The boy friend, listening to the radio, fumbles a glass at the soda counter, smashes it. The old man, specs low on his nose, is at the loudspeaker. When daughter talks about early hours, he chokes. When she boasts about church he spits on the floor. When she rants against cosmetics, he thumps his stockinged feet into his brogans and thuds down to the speakeasy, wondering how much this is going to set him back in new dresses and hats. He mumbles something about what saps them beauty judges are.

Miss America announces that she must not be disturbed by the press until noon. She must have her repose. She gets a telegram of proposal from a furniture manufacturer with seventy-two known years, half a million dollars and a yen for young blondes. She signs contracts and goes on tour. One of them made $50,000 in her year of reign. Then, ironically enough, lost it in a beauty parlor venture, although the beauty parlor business then was one of the most lucrative in America.

Miss America leaves Pageant Town to exult about, and rave about, Pageant Town. Forty-nine Misses Main Street leave Pageant Town to tell forty-nine Main Streets what a terrible place is Pageant Town, what a place not to go to next vacation.

Meanwhile, tomorrow and next year being other occasions, the pageant committee adds up. The hotels and the merchants and the balloon vendors add up. The City Council holds out its palm. The pageant committee says, "Now, be reasonable, won't you? We didn't take in much at the gate. But it did bring a lot of business to town, didn't it? So the city can forget the $50,000 it advanced, can't it?" A racket within a racket.

Well, Galveston has called it a day. Miami has hidden in the cyclone cellar. Istanbul, which had removed the veil and found the sight not unpleasing and put on a pageant, has gone moral again. Havana has its headaches. Rio de Janeiro won't speak to you if you mention beauty contests. But Atlantic City has gone brave—and silly—once again. Atlantic City will select Miss America again. Perhaps Miami will choose its own Miss America again. And Galveston, presumptuously, a Miss Universe; Havana, Miss Universe; Rio, Miss Universe; making it all very confusing for the layman, everywhere running into three or four contemporaneous Misses America and Misses Universe. Life was simplified when the beauty pageants ended. It threatens to become complex again.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Shall We Have Continental Economics?

by Carlos Davila

Carlos Davila, former Provisional President of Chile and an authority on international trade, discusses the breakdown of the world export markets into new trade spheres and indicates where American business of this type should go.

THERE was a sixty-seventh delegation at the London Conference: the ever-present, never-seen spectral representative of world unemployment. The cause represented by this delegation was very simple: thirty million men out of work. They represented an army, the members of which if lined up at one yard intervals would twice encircle the earth. A girdle of starvation and moral deterioration that is a slap in the face of an epoch; yet it failed to call forth concerted action. Equally futile were the laments about the thirteen million tons of idle shipping in the world. It meant little that the committee of experts solemnly announced that international trade had shrunk to less than half of its normal volume. Each of the great nations had placed its national policy foremost—and the devil take the hindmost. Unfortunately the hindmost are the smaller nations, which failed to understand why they were invited to London and certainly will not comprehend why they are sent back. It is a pathetic submission, this sitting in the bleachers watching a game on the outcome of which depends the prosperity and the welfare, or the misery and the poverty, of one's countrymen.

An undercurrent of disillusionment has swept over Europe as a result of the lack of success at Kensington. Yet this disappointment is as unjustified as was the optimism before the conference convened. During 1932 alone, sixty-three out of the sixty-six nations represented at London raised their tariffs, in spite of the fact that, at a similar conference in Geneva in 1927, the problem of trade barriers was proposed in almost the same terms in which it was presented at London. And the nations solemnly decided then that tariffs must be lowered and barriers eliminated, where possible. . . . .

Too, the most superficial view of what had been taking place in the United States since March 4th—and the delegates from foreign countries who came to Washington should have gathered something more than superficial impressions—clearly showed that the American government could not make tariff concessions or much less alter the monetary policy which by its announcement alone was giving the nation its first breath of relief after four years of despair. It may be true that the White House dramatically called for parleys in Washington. It may be equally true that after each conversation it was announced that a general agreement had been reached on the necessity for stabilizing currencies, eliminating trade barriers and price-raising. But surely any competent observer must have realized that all of the legislation requested by the President, passed by Congress and exuberantly applauded by public opinion, pointed toward a one-track policy: inflation; depreciation of the dollar to a point that could not be ascertained until there had been some time to observe its general effect in fostering high domestic prices, and agreements regarding curtailment of production, all of which definitely imply the maintenance of a high protective tariff and even tariff increases. It should have been clear that the United States would never countenance a transfer of the employment being created here to workers in alien countries, nor would it accept that the fruits of a daring and even dangerous monetary policy should be nullified by some international legerdemain.

It then must appear that the policy of economic co-operation among the great powers has come to an end. Economic internationalism tried to breathe anew in London and was throttled. There is a collapse of the commercial and financial system of the world which should be solved by the world, failing which, the nations separately must solve their own problems.

The trend toward certain alternatives is already established. Since England abolished her traditional policy of free trade, that shibboleth has been interred in the Pantheon of the illustrious dead. After the experience of the last few years, and the inefficacy of the London Conference, no government will ever again assume an attitude of passive contemplation which would entrust its foreign trade "to the free play of economic laws." The conception of a multilateral tariff agreement is another illusion that has been lost at the banks of the Thames.

There are three ways left for each nation to choose without turning to economic autarchy: First, a policy of equality of treatment for all nations without distinction, which was the one persistently followed by the United States with the minor exceptions of its preference agreement with Cuba and the treaty with Brazil that expired in 1922. Second, a policy entailing bargaining with countries individually, and possibly on specific commodities. This

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

has already been successfully pursued by France for the past three years on the basis of a licensing and import quota system. Finally, the policy of regional or group agreements between countries having similar, or complementary, interests. All three mean tariffs. The last two do not exclude each other. It is evident that the United States will of necessity abandon, from now on, the policy of equality. Such could never be reconcilable with the industrial control laws passed by Congress. The policy of equality is as inconsistent with the path that the White House has chosen to follow as is the acceptance of immediate stabilization which the gold bloc countries endeavored to force at London.

The slogan of the last alternative was well advanced by Lord Beaverbrook in his newspaper, *"The Daily Express."* "If we carry forward," he said, "the Imperial Policy we shall have assured prosperity for our people, work for our unemployed, peace for all nations under the British flag. Foreigners have nothing to offer us that we can accept. We must go back to our Empire. That is what we should have done after the last election, but the objection was raised that it was necessary to wait for the Economic Conference. Now the Economic Conference is dragging out its brief existence." And he ends by claiming that through a policy of interchange within the Empire "Great Britain will set an example to the world." That example is already being followed by many nations, and should be followed by those of the Western Hemisphere.

●

By analogy with the British Empire parley at Ottawa, "la Petite Ottawa," which was the name given to the prospective agreement between France and her colonies, was explained by M. Sarraut, Colonial Minister, at the London Conference as the alternative to which France will be driven. Last year at the Oslo Economic Convention, the Scandinavian countries and Belgium and Holland laid down the basis of a trade group policy involving tariffs. A few months ago the Danubian countries agreed, at the Stresa parley, upon a policy of reciprocal preferences for agricultural products. The recent agreement at Ouchy opened the way for a reduction of tariffs and a preference formula among Belgium, Holland and Luxemburg, by which these three countries are committed to a ten per cent annual reduction in tariffs, with an ultimate total of fifty per cent in five years.

One of the most significant, among the many other regional agreements, is the Little Entente, which was organized last February as a political unit with a permanent Supreme Council as well as an Economic Council, the purpose of which is to make out of Rumania, Jugoslavia and Czechoslovakia an "economic unity." To this end tariffs and preference agreements are being studied; the central coöperatives are collaborating; industries are being grouped according to lines of production in the three countries; mixed chambers of commerce and trade institutes have been established in the three capitals, Bucharest, Belgrade and Prague; transportation systems on the Danube and the Black Sea will be consolidated and agreements as to postal union and air travel and all means of communication are being planned. In addition, a system of continuous coöperation between the central banks of issue will be set up, together with a uniform credit policy. Custom house formalities will be simplified and commercial legislation will be made uniform. The Supreme Economic Council is to meet at Geneva in September to consider concrete agreements along these lines, and the next meeting is scheduled to take place at Bucharest in 1934.

Furthermore, it must be borne in mind that practically the whole of Africa falls within the British and French Imperial agreements. The same is true of Oceania. In Asia, Japan, completely industrialized on negligible wages and with a currency depreciated to a level that will never be reached by the dollar, will be an invincible competitor. Even in those parts of Asia which fall within the Imperial Agreements, Japan has been making great commercial headway. In the last two years certain commodities, formerly supplied by Britain, have been totally displaced by Japanese goods on the Indian market. The price at which goods can be turned out in the Island Empire is shown by the fact that between November, 1932, and May, 1933, the United States imported 1,259,901 cameras from Japan valued at $44,696 and 1,545,298 film packs valued at $28,380. In other words, the cameras were imported at a declared (invoice) value of less than four cents each and the film packs at less than two cents each. Russia, with its state controlled industries, does not have to conform to the ordinary standard of prices and profits, and will prove to be no negligible factor in the international trade of the future, especially in the Orient.

In the face of what appears to be inevitable, the eyes of the United States should be turned toward the American Continent. The United States has now an opportunity to formulate a serious, stable, determined policy of continental economic coöperation. The policy must be generous in order to be encouraging and to inspire confidence. It must be formulated with a liberal mind toward the fact that Latin America as a whole enjoys an advantageous position in her trade with the United States where our countries, considered as a unit, invariably sell much more than they buy. This situation cannot be altered, nor should it be considered as a weapon for bargaining. *To the contrary, if facilities are afforded for an increase in the exportation of our products to the United States, and if encouragement is granted for other commodities which we can produce, that larger volume of exports, and the consequent increase in our purchasing power, will open up an equivalent market for American goods in the southern republics.* A system of credit and monetary stabilization could be evolved by the Central Banks. If something along this line should develop, however, it is to be hoped that we do not fall into the temptation of convoking a "Pan-American Economic Conference."

Ninety-six per cent of the coffee, 76 per cent of the sugar, 97 per cent of the petroleum and petroleum products, 66 per cent of the copper, 94 per cent of the linseed, 98 per cent of the nitrate, and 25 per cent of the wool which came into the United States in 1929 came from Latin America. Figures for the later years fall in much the same proportion.

Of the total foreign trade of the twenty Latin American republics in the three-year period, 1929-1931, 46.2 per cent was inter-American. Of this total trade 33.8 per

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cent was between Latin America and the United States. Commerce among the Latin American republics themselves amounted to only 12.4 per cent.

In the same three years 46.8 per cent of the total imports of the Latin American countries came from other American countries; 34.8 per cent came from the United States. The average of Latin American importations from other Latin American republics was, in the same period, 11.9 per cent of the total imports.

Forty-six per cent of the Latin American exports in the 1929-1931 period went to other nations of the Western Hemisphere and 33.2 per cent came to the United States. Latin American exports to the other countries of Latin America was 12.8 per cent of the total exportation.

In the period that we have been analyzing, the foreign trade of Honduras was 80 per cent inter-American; Venezuela 79 per cent, Colombia 72 per cent, Ecuador 55 per cent, Brazil 50 per cent, Chile about 40 per cent, Uruguay 35 per cent and Argentina about 25 per cent.

●

The inter-American proportion of the total foreign trade of the other republics of Central America and Haiti and Santo Domingo has in general been over 60 per cent. And so the importance is shown of the American continent as a commercial whole: nearly one-half of Latin American foreign trade is inter-American, more than one-third is with the United States, over one-tenth is inter-Latin American. We have come to this with no particular definite government policy, by the natural force of commercial trends, propinquity and necessity. This is, consequently, a solid basis for a definite policy of interchange that should become preferential if necessary. Lately there has been the tendency towards the celebration of regional agreements to facilitate commerce between the Latin American republics. Obstacles encountered have been great and the results cannot carry much weight. No matter how much we could increase our actual twelve per cent of inter-Latin American commerce, there can be no solution there for our fundamental economic equations. During the Ibanez administration, the Minister of Foreign Affairs of Chile, Senor Antonio Planet, called for a conference of Latin American republics to discuss the basis for commercial agreements. There lies the policy for the future; but for our actual economic needs, we have to look towards our major items of exportation for which there are no Latin American markets yet prepared.

One of the most striking problems in trading with Latin America today is our currency depreciation. Currency depreciation generally acts as a subsidy for, and a stimulus of, export trade. This has not been the case in our countries. Depreciation of our currencies has neither greatly promoted our exports nor appreciably raised domestic price levels. The only real commercial result has been to severely curtail imports. The situation is further complicated because, as will be shown, practically every country of Latin America depends for its exports on two or three staple articles which have a definite market and the prices of which, established abroad, have dropped to such a point that not even an increase in the volume of sales has afforded compensation. The exports of coffee from Brazil to the United States, for instance, which increased in quantity about 30 per cent, decreased in value about 48 per cent from 1929 to 1931.

Of the total exports of Latin America in 1929, the following twelve commodities comprised approximately 65 per cent: coffee, sugar, petroleum and products, copper, meats, linseed, nitrate, wool, hides and skins, leaf tobacco, bananas and cocoa. Of these the United States took an average of 57.2%, 67.6%, 60.9%, 53.4%, 10.1%, 36.6%, 28.8%, 19.6%, 52.1%, 39.5%, 70.4% and 88.8% respectively.

It is well known that the ratio of exports to total production in the United States is less than 10 per cent. We can then realize the importance of export trade to Latin America through the following ratios of exports to total production of outstanding items in given countries in 1932:

Coffee—Colombia 91.3%, Venezuela 85.4%, Ecuador 88.1%, Brazil 68.4%, Costa Rica 99%, Santo Domingo 94%, Guatemala 87.6%, Haiti 99%, Mexico 82.4%, Nicaragua 99% and Salvador 80%.

Sugar—Peru 86.5%, Cuba 85.8%, Santo Domingo 86.6%, Haiti 64.5%, Nicaragua 47.3%.

Petroleum and Petroleum Products—Venezuela 99%, Colombia 86.6%, Ecuador 78.8%, Mexico 68.1%.

Copper—Chile 98%, Peru 99%, Mexico 99.7%.

Meats—Argentina: sheep 89%, beef 72.6%.

Linseed—Argentina 93.4%, Uruguay 99%.

Nitrates—Chile 99%.

Wool—Uruguay 96.8%, Argentine 85.9%, Peru 33.9%.

Leaf Tobacco—Paraguay 95.9%, Cuba 48.9%, Santo Domingo 62.3%.

Bananas—Colombia 99%, Costa Rica 99%, Guatemala 75%, Honduras 99%.

Cocoa—Brazil 82.7%, Venezuela 61.5%, Ecuador 48.5%, Costa Rica 99%, Santo Domingo 99%.

Tin—Bolivia over 99%.

The importance of the ratio of export to production in these few Latin American items is doubly emphasized when we see, as typical examples, that for that same year 80.6 per cent of the total exports of Venezuela was crude petroleum; 82.8 per cent of the total exports of Uruguay were animals and animal products; 77.8 per cent of exports of Colombia coffee and petroleum; 82.9 per cent of Chile exports nitrate and copper; 79.7 per cent of Bolivian exports tin; 69 per cent of Brazilian exports coffee; 72.6 per cent of Argentine exports wheat, corn, linseed and meat and meat products.

●

Since April 19 last, the United States has been on the same side of the fence that we are, watching the depreciation of its currency. We are too apt to take as an example Great Britain, which derived considerable benefit from the depreciation of her currency, without giving due thought to the essential difference which characterized the depreciation of the pound from that of most of the other currencies. There is this fact, Great Britain managed to keep domestic prices fairly static and did not embark on inflation of domestic credit.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The policy of devaluating currencies but not raising domestic prices looks very significant when we see that the foreign trade of countries with a stabilized currency fell last year to about 50 per cent of the 1929-1931 level, whereas the trade of the principal nations that had just depreciated their currencies fell to only 68 per cent of the 1929-31 average. In the United States, with a stable gold dollar, exports were 80 dollars per capita in 1929 and 24 dollars per capita in 1932, a drop of about 70 per cent in value. The stimulus of devaluating the currency to the foreign trade of a nation tends automatically to cancel itself if domestic prices and cost of production are allowed to increase in direct proportion.

●

There is hardly any measure of economic, or commercial defense, that Latin American nations have not employed since the breakdown of the international monetary system, and the contraction of credit has forced them to conserve whatever assets that may remain. They have all raised their tariffs, abandoned the gold standard and depreciated their currencies, which in itself amounts to an enormous ad valorem duty on all imports, established exchange control and a system of severe restrictions on payments abroad; and furthermore, limited imports by other drastic regulations. Almost all of the Latin American countries have finally succeeded in attaining a position where their controlled trade permits them to retain their gold reserves. They are, therefore, at a point where a new trade policy can be evolved provided that it can be done without unbalancing their monetary and commercial stability which, although precarious, is a stability nevertheless. This fact must be borne in mind by the United States and other nations that do business with us.

The protective tariff of the United States does not seriously interfere with most exports from Latin America as, in spite of the three consecutive tariff increases of the United States since the war: the Emergency Tariff of 1921, the Fordney McCumber Act of 1922, and the Hawley-Smoot Tariff of 1930, 87 per cent of all South and Central American imports into the United States are duty free. The proportion of duty free goods entering the United States is exceptionally large because of the fact that the most important import items, such as coffee and silk, fall under that category. Consequently the total of American imports at the present time does not pay over 19.1 per cent ad valorem duty. There is hardly another nation in the world whose tariff, as a whole, is lower. Nevertheless the psychological effect of the adoption of a protective policy has been to convey the idea that this country was in a large measure responsible for the worldwide depression.

●

An important factor in the restoration of commercial stability in the Western Hemisphere must be the resumption of long term lending on a large scale. "The policy of deflation must end," said the British Chancellor of the Exchequer, Mr. Chamberlain, at the Economic Conference. "Abundant cheap credit must be restored and its rapid circulation must be encouraged by all means. A policy of cheap money is the indispensable basis to insure world economic recovery." It most surely is the basis for the "economic recovery" of the American Continent as a whole. Secretary Hull, it is significant to note, appeared to be in entire agreement with this theory as indicated by the first official statement he gave while en route to the Conference at London. Yes, the resumption of credit is a "sore spot" as a well known American banker recently put it. Of the $1,656,561,900 volume of Latin American dollar bonds outstanding, $1,012,765,700 are in default. But which among the nations of the world, however, even the most powerful and wealthy, has not, in one way or another, defaulted on part of its foreign debt during the last few years? If the Latin American countries had been permitted, a year ago when they were forced to default by circumstances beyond their control, to serve their debts in their own depreciated currencies, which certain nations that have always been considered the epitomes of wealth and paragons in the fulfillment of their obligations are actually doing today, those defaults might never have come to pass.

●

Furthermore, as Secretary Hull, accurately hinted in the same statement which I referred to previously, the American investors in Latin American bonds have not lost, because of the depreciation of those securities, more than did the investors in the stocks of many trusted American corporations. I have before me a chart that purports to show that investors who bought stocks in at least ten of the largest American corporations have lost much more of their investment than they did through depreciation, for instance, of Chilean bonds.

Most of these investments were amply justified if the past record of the countries is to be considered a fair criterion. The record of Chile, which I know best, was as good, or even better than that of the United States. Before 1931 there had never been even a State or provincial default on the service of a Chilean debt. It is well known that during the Chilean civil war of 1890 the two conflicting governments vied with each other in London to be permitted to pay the interest on the same part of the public debt. It took a world catastrophe to force Chile to temporarily modify, by its own volition, a contractual agreement. The same world catastrophe has forced the United States to modify by its own volition its contractual agreement in regard to the gold clause, and to pay in depreciated dollar bills the debts contracted in gold.

The resumption of lending may seem difficult at a time when events and experience have prejudiced public opinion against it. It may seem difficult, unpopular and perilous; as difficult, unpopular and perilous as inflation and depreciation of the dollar were. Nevertheless, once the country realized the necessity for this step, inflation was enthusiastically accepted. The same could happen with regard to the extending of long term commercial credits which is essential for a period of readjustment from which a new trend of commerce on this continent should spring.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Little Economic Man, Why Not?

by Joel Sayre

Disagreement exists among the economists as to how much the model economic man should consume for sweet Prosperity's sake. Joel Sayre, author, economist and non-voting member of the Brain Trust, discovers the ideal Economic Man.

You know the Eekie McMahons, of course. You don't? You don't know Eichorn Nahm McMahon, good old Eekie? Why, you amaze me. Don't you remember him in our class at college? No?

Gosh, if that's the case you'll certainly have to meet them right away. I'll take you around some night to call on them, Eekie and Mary, two of the swellest people that ever lived. Mary was a Miss Tecksbuch before she was married and she's just as grand in her way as Eekie is in his. Really, they're about the loveliest couple I know: so darn regular. All the fuss that's been made over them and all the publicity they've been getting all these years hasn't spoiled them one bit. They're just the same old regular McMahons and they always will be. You'll be wild about the kids, too. Eekie and Mary have two of the cutest youngsters you ever saw, Junior and Sister. I think they're about ten and eight. Yes, that's right—Junior's ten and Mary's eight. You never in your life saw two children more considerate of their parents.

I certainly wish I weren't sewed up this evening, or I'd take you around to see them, for I'm crazy to have you make their acquaintance. . . . Oh, yes, we'd be sure to find them at home. The McMahons are almost always at home, consuming things. Of course, they go to their neighborhood movie house once or twice a week to see a good picture, if it's suitable for Junior and Sister, and on hot nights they like to fill the old Silent Eight up with Whizzolene and Lubromo and go for a nice drive; but most of the time they just stay at home and work at their consuming.

Surely, you must have come across pictures of the four of them in the magazines, sitting around the house in their cellular union suits. They certainly make a pretty group, sitting or standing, well-groomed always and always smiling and showing their perfect teeth. I can see them now: Eekie in his Kumpheechare with his legs stretched out, smoking Red Horse Blend in his Pallypipe and looking down proudly at his new Zippygrip garters; Mary opening a can of Nibblenips with a Bitestin opener; and Junior and Sister with their little ears to the radio over in the corner, listening eagerly to the Sputz Strangling Hour.

The McMahons are great Sputz eaters, and it is to Sputz that Eekie largely attributes their perfect health. I happened to be present the night Sputz came into their lives, and I'll never forget it as long as I live.

We oldsters had been discussing Dr. Henderson Klonk's new theory that the more production there is the less waste and how the weak link in everything these days is really the consumer, and not paying much attention to the kidlets—I mean, the kiddies, who, as usual, were gathered about the radio in the corner. Suddenly Sister came running over to Mary and put her little hands on Mary's knees and looked up at her face with shining eyes. You can't imagine how cute she was in her little union suit.

"Oh, Mummie," she said, "can't we have Sputz?"

"What are Sputz, darling?" Mary said, and Roy stopped talking and winked at me delightedly.

"Sputz is the new, delicious, electro-baked, triple-thrown breakfast food, Mummie dear," Sister answered. "Kiddies love it and thrive on it. It brings roses to their jowls and builds calcium that is so all-important to growing little bones. Wonderful for grownups, too."

"Oh, yes, Mummie, please let's have Sputz," chaimed in Junior. "Uncle Woofty says they're delicious and made in the new, monster, air-conditioned plant at Sputztown, Pa., by moonbeam fingers. And besides every Tuesday, Thursday and Saturday at 8 o'clock there's the Sputz Strangling Hour over KNPO. It started tonight, and it's about a boy and girl, Phil and Phyllis, exactly our age, and the story opens with their Mummie and Daddy found strangled in bed and Phil and Phyllis start out to capture the Strangler who, they suspect, is a Chinaman, Professor Lee Aylee Hoo—"

Sister couldn't hold herself any longer and burst in.

"Oh, yes, Mummie," she said, "and Uncle Woofty has promised to give a little toy garrote to any kiddie who sends in his or her name and address and thirty Sputz container tops either to the station, or to Uncle Woofty at Sputztown, Pa. All we have to do is ask our grocer for Sputz, S-p-u-t-z, made in the new monster, air-conditioned plant at Sputztown, Pa. And so reasonable, too—"

Mary looked over at Eekie, and Eekie took his Pallypipe out of his mouth and nodded, "Yes," with a smile. Mary told the kids all right and they ran whooping out of the room to play Strangler.

"A good idea," Eekie said. "A good idea. I was going over our cereal consumption figures this morning and I noticed we were a little behind on our quota allotment. Sputz will make it right."

And Eekie tells me they've never regretted it.

But honestly, I can't get over your never having run into Eekie. Don't you remember that movie serial, "Mr. Courage and Mr. Fear"? Well, Eekie played "Mr. Courage." Oh, you did see it? There now, I knew you'd run into him some place.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Follies of Radio

by Allen Raymond

This is the third article in a series on the American radio industry by Allen Raymond, newspaper and magazine writer, and a former London correspondent of "The New York Times."

AWAY, way back in the golden 20's, when the Babbits were talking of putting a chicken in every pot and two big automobiles into every garage, the brand-new broadcasting business was deemed by the rabble another Klondike. There was an immediate gold-rush thereto.

The cloak-and-suiter, bringing his cutie, the traveling salesman and the farmer's daughter, the wholesale feed and grain merchant and his bright boy, Oswald, goat-gland doctors, newspaper reporters, crusading parsons, cigar manufacturers, lean college professors reeking of culture, disappointed sopranos and romantic saxophonists —all took the high dive. Right along with them ran the big corporation, "without a body to kick or a soul to damn," in the mad rush for dollars.

Whereas there was only a single broadcasting station in 1921, there were more than 1,000 in 1926. The air waves were chaos. So many songs and sermons and advertising spiels for Krispy Korn Kakes for Tiny Toddlers were being wafted over the frequencies available that they all bumped into each other in mid-ether. Millions of listeners, having purchased radio sets at prices which now seem mountainous, but which may not tomorrow, if inflation keeps up, were twisting their dials and getting nothing but squawks, shrieks and moans till they turned off the current. Radio, countless listeners decided then, was nothing but a great big headache.

It is still a headache, in many respects, though things are getting better. Thanks to the Federal government, which stepped into the picture and saved the jostling enterprisers by reducing the number of stations to about 600, and by setting up a Radio Commission to govern broadcasting instead of letting it run riot, the existence of the thing has been saved for posterity. There are still too many stations, and while theoretically there is room for them on the scientifically partitioned broadcast band, actually there is no sound, economic foundation for them in the world of commerce.

In 1932 the United States Senate asked the Federal Radio Commission for information as to the investments and income of broadcasting companies, and the resultant data, gathered by government inquiry, shows how far from sound, economically, is the so-called "American Plan" of broadcasting.

The inquiry showed an investment of $36,845,000 in 558 companies, ranging from thirty-three little locals in the backwoods, with an average investment of $8,700 per station, to the big metropolitan independents and other high-power stations, affiliated with chains, with an average investment of more than $300,000. The investment of the National Broadcasting Company was set down as $6,193,670, and the Columbia Broadcasting System as $4,527,459. Altogether there was in 1931 a total investment of $47,879,249 in the broadcasting industry.

Receipts, expenditures, profits and losses were reported also, and showed that some of the stations were making handsome profits, though some merely believed they were, having made no allowance for depreciation, in an industry characterized by perhaps the highest degree of obsolescence of any major enterprise in the country.

Gross receipts for individual stations varied from a few hundred dollars to more than $1,500,000, and aggregated $38,461,302 for 525 stations. The National Broadcasting Company listed its gross advertising revenue for 1931 as $25,895,959, and the Columbia set down $11,621,424.

The National Broadcasting Company reported total expenditures of $28,137,716, and a net loss of $2,241,000 for the year. The Columbia Broadcasting System reported total expenditures of $10,826,000 and a net profit of $794,724 for the year. Of the individual stations reporting profit and loss, 333 stations reported profits aggregating $5,451,777, ranging from $13.94 to $376,279, and 180 stations reported losses aggregating $2,200,743, and varying from $22.50 up to $178,535 for a company operating two stations.

●

The summary of the report by the Federal Radio Commission to the Senate was as follows: "The chain companies and a great majority of the stations—about ninety per cent of all—operate commercially, at least in part. There are substantial profits and losses in individual cases, but in the aggregate, the great bulk of income goes for current expenses, even without allowance for depreciation."

To illustrate what was a fair cross-section picture, the commission tabulated reports by groups of similar stations. There was one group of 214 stations of 100-watt power. With an investment of a trifle more than $4,000,000, their gross receipts were $4,220,815 and their gross expenditure

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was $4,293,000, and while the statement of profits for 114 of them totalled $416,693, ignoring depreciation, the statement of losses for seventy-two of them was $242,539. Taken as a whole, the profit on $4,107,502 investment, ignoring depreciation, was $174,153. In other words, there was no real profit. The business as a whole was operating at a loss, in an era when advertising over the radio was increasing.

The 1,000-watt and the 5,000-watt stations showed up a little better, but even they, ignoring depreciation, showed no such profit figures as to make them an attractive field for the investment of capital.

Money-making in the commercial broadcasting business, then, is possible, but not probable, except for a few strongly intrenched companies with long purses.

One of the greatest indictments brought against the commercial broadcasting business today is its policy of trying to obtain free such things as news, publicity and the services of diverse talents for which some payment might reasonably be expected. The reason is not far to seek. It is because the broadcasting business is overcrowded.

●

If a wise and benevolent government, aided by those commercial stations actually in a position to serve the public at a profit, would only delete one-half of these commercial studios, it would be the greatest boon to commercial broadcasting and to the American radio listener granted since the Federal Radio Act of 1927.

Yet linked within the National Association of Broadcasters, which is fighting to maintain the status quo of the broadcasting business, against threats of censorship, and of government ownership, and of reservation of more frequencies to education and government, are big stations and little. Good and bad. Profitable and unprofitable. Respectable and disreputable.

A considerable portion of the broadcasting business has a bad case of "jitters," fearing destruction, and it ought to have, because unadulterated commercialism is not turning out to be the answer. What shall be done with radio? The American people is a commercial people, and lives on commerce and industry. But American civilization, which radio is shaping, and which is shaping radio, contains a great many elements outside of commerce, and numerous persons even in business, who are highly critical of it.

Where could be found a more highly diverting spectacle of modern American business than in the broadcasting "art"! The very idea that a broadcaster is an artist reveals the pathetic yearning of the country's babbitry for an illusion of dignity. Do not barbers become "tonsorial artists?" Are not undertakers "morticians," and real estate salesmen "realtors," and manicure girls "beauticians"? Why?

The world of commerce is a world of anarchy, where the rule is to the strong and shrewd and lucky, and where a person's financial measurement is the one infallible standard of respectability. The greater the possessions the greater the man. Therefore, my son and my daughter, go get that money and keep up with the Joneses. If you can't get it, at least "put your best foot forward," and pretend, *pretend*. Materialism is the very heart and driving power of commerce.

The masses subscribe to business materialism—subscribe perforce—but few persons enjoy it. The battered egoes of the great middle classes, sensing a degradation that they do not yet fully understand, go reaching for dignities. They want their heart-breaking scramble for dollars enough to live with the respect of their neighbors, to wear some nobler guise. Hence "beauticians," and, also, hence the broadcasting "art."

●

Early in 1932, Stuart Peabody, president of the Association of National Advertisers, warned the broadcasters that salary padding and other wasteful diversions of advertisers' funds in the studios and agencies were wrecking the microphones as media for paid publicity. The principal howl of the sponsors who are paying the broadcast bills has been that large sums for talent are split up among go-betweens who have no economic value.

Profiteering, false pretense of expenditure and bargaining for whatever the traffic will bear, after the fashion of Syrian rug vendors, rather than the establishment of rates for measurable service, are the most common allegations. This lack of maintaining published rates was one of the evils within the broadcasting business against which Philip G. Loucks, managing direcor of the National Association of Broadcasters, warned his associates in his last annual report, labeling it "one of the destructive forces sapping the life-blood" of the industry.

The advertising agencies and the advertising departments of great manufacturing concerns or department stores which use broadcasting for selling purposes abound in junior executives, fresh from college. They chuckle at the graft in business, and flush a little, but they will grow case-hardened shortly.

They tell the story of the sponsor who walked unexpectedly into a metropolitan studio and up to the band leader who was conducting a dearly bought program. "I've always wanted to meet our $1,500 baby," said the sponsor with a grin, and extended a hand.

"Whaddye mean, $1,500? I'm getting $200 a week, and there isn't a thousand in all the band," growled the wielder of the baton.

It marked the end of a beautiful account.

There is also the chuckle about the advertising agency's "contact man," telephoning from speakeasy to office, bidding somebody get four more musicians into that Merry Ramblers' Orchestra, pronto, because big Joe Grimm, the pocketbook boy, was coming over on a tour of inspection. Big Joe was seeing double at the moment, because of bacardi, but a sight of his orchestra would probably sober him. Having paid for ten musicians he probably would be dissatisfied with six.

●

What price for talent? And how much talent for what price? It is a sore subject up and down Broadway, and a sore subject also in the advertising business. The big names of Broadway, Eddie Cantor, Ed Wynn, and the like, can protect themselves because they can bargain for their price, but the small fry are being exploited wholesale.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

According to *Variety*, the bible of the amusement world, several of the smaller stations in and near New York depend almost entirely upon try-outs for their talent, and one New York station has made its entire program for weeks from free auditions of the ambitious. This exploitation of talent, real or fancied, is an old story to singers coming up to the big town year after year from the village choirs.

The racket in radio is to pay the small-time singer, or actor, or comic in hopes, instead of dollars. "You've really got something," the studio challenges. "We'll give you an audition. We'll do more. We'll actually put you on the air, and see what the fan reaction is."

Young Hopeful goes before the microphone and pours out Tosti's "Goodbye Forever," without meaning a word of it. Or gags from Joe Miller. Once launched the radio "artist" must get a reputation, and that implies fan mail, and free publicity from the radio columnists of the newspapers. The great hope, of course, is to become the paid protege of a sponsor, meaning somebody with goods to sell, who is spending money with the hope of selling them.

●

The fan mail used to be easily acquired, and perhaps is today, but advertisers are becoming increasingly wary of it.

The advertising agencies discovered that an organization in Longacre Square, New York, had undertaken a special service for radio performers, guaranteeing them letters from all parts of the country after their microphone mouthings. These letters praised the performer highly, and asked for encores. Unfortunately a suspicious agency once answered a batch of letters that showed striking similarities in verbiage, and ninety per cent of them were returned marked, "no address," or "persons unknown." Nowadays, advertisers look more to sales results and less to letters of praise for their programs.

The frantic struggle for free publicity as a substitute for paid advertising has brought into the radio field a swarm of press agents, all trying to cut into the golden stream from the advertisers. The press agent sells his service to the microphone moaners on the supposition that he is a great friend of the newspaper "boys," and can induce them to tout the performer's wares gratis.

●

Only rarely can the press agent deliver, though he has infested most of the speakies around the newspaper shops during the Prohibition Era, and has been quite willing to buy beverages for thirsty and impecunious reporters, of whom there are several. Once in a while, however, the agent actually can deliver the goods, because some of the radio columnists are beginning to vie with the Broadway columnists in the scandal and intimate gossip field.

The approach of babies, the rumors of divorces and of estrangements and of passionate attachments among persons in the amusement and so-called "society" worlds, peddled by the scum of the reporting craft to bemuse the country's nitwits—these things are beginning to afford publicity for commercial radio's heroes and heroines.

This raises an interesting question for sociologists and psychiatrists. After the children of the land have stored away in their minds all the personal gossip of Hollywood, Fistiania and Radio, will there be any room there for such other knowledge as might protect them against pirates and slickers? Is radio to be added to the forces which are making for mass ignorance, mass venality and an envious awe of the rich?

●

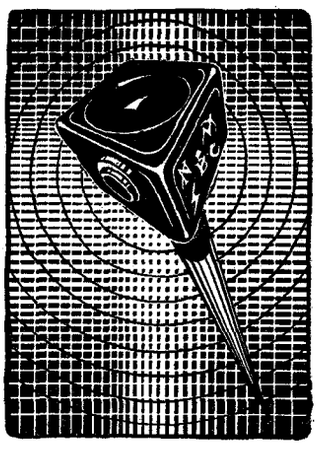
Is not the cult of the radio "announcer," moreover, a little grotesque? There are no fan magazines narrating the doings of efficient car starters, none telling of the home life of those admirable railroad train announcers in the nation's depots. So we may inquire, what is all this radio diction, anyway? Has the ability to speak reasonably correct English, with no accent worse than a phony Oxfordian, come to be such a rare thing in America that a few persons who can talk understandably should be permitted to inflict their names upon the public nightly? One hates to cavil, but this "announcer" glamor seems slightly screwy. The penchant for sport shirts, open at the throat, or for walking sticks carried jauntily on Fifth Avenue, adds nothing in reality to the net worth of radio announcers as social assets.

One funny thing about radio, apparently, is that as soon as a person "goes on the air," a sad, sea-change occurs in the personality. A bug bites, and then we have another case of magnocephalos, which is an old Greek word for a swelled head. It afflicts the sponsors, also, according to advertising agents. No sooner does a shoe manufacturer put on an air show than he becomes a "showman," and the sponsor's wife becomes an "impresaria." The result is "conferences and more conferences" and a consequent boom in the sale of aspirin. To hear the radio advertising agents tell it, they are having the very devil of a time to keep sponsors' wives from inserting "Way Down Upon the Swanee River" into evenings with Beethoven.

Just as in the theatre, also, the stage-door mamma and papa are grievous annoyances, so in the new radio showland, relatives of the broadcasters inflict deep pain on those forced to endure them. Laws are lacking for the restraint of these. And nepotism, that curse of business as it is of Congress, grows lush and rank within the studios.

●

Lured by tales of Rudy Vallee's million-dollar earnings, by stories of many hundreds of dollars a week paid by sponsors to Ed Wynn, Jack Pearl, Burns and Allen, Ruth Etting and Amos 'n' Andy, ambitious mammas are steering their children toward radio riches. Talent is common, and therefore, cheap. Riches are rare, and one wonders how much of a favor it is to the young to point out such glittering idols as acquire vast possessions, saying, "Go thou, my son, and do likewise."



Today, however, radio reflects as clearly as any division of commerce the current status of what we laughingly call "civilization."

Youngsters, chock-full of hope, talent and ignorance, jump into it and love it, temporarily. Child prodigies go on the air free and are delighted to do it. Would it not be asking almost superhuman virtue of the harassed broadcasters,

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

struggling to keep their heads above water in the storms that are rocking the world today, to ask them to refrain from exploiting ignorant ambition? The very suggestion runs counter to all the traditions of business.

●

At Minneapolis, three dollars a broadcast is reported as big money for a singer, musician, or comedian. Thirty dollars is "tops" for a comedy team drawn from small-time vaudeville, with plenty of "hams" delighted to pick up the thirty as "velvet.'

A station in Cleveland ran an audition contest for three months, in which more than 500 young aspirants for fame and fortune strutted whatever talent they had, only to have the contest won by a professional who had been broadcasting for a year over that very station. Norman Siegal, radio critic of the *"Cleveland Press,"* exposed the double-dealing, only to have the irate broadcaster step before a microphone and inform his public what a low-life that alert newspaperman was.

In Los Angeles, there is so great a supply of talent that one studio charges a dollar for every audition, or try-out, and instead of paying for its sustaining programs is paid to give them. In New York, 1933, according to *"Variety,"* neither the independents nor the chains are accustomed to paying child actors, nor do some sponsors pay them.

Vain hopes for fame, vain yearnings for fortune! The broadcasters feed on them, and still the business as a whole is unable to make money. Too many stations trying to fill too many hours a day, and to keep alive on a strictly commercial basis! That is the reason.

So grating is the spiel of the barker for patent preparations, talking in our parlors of matters one usually discusses with a doctor or in semi-privacy, that the gross amount of sales-talk in radio today is over-reckoned by much of the public. There really is not a great deal of it, as compared to the amount of time given to efforts at education or entertainment.

In 1932, the Federal Radio Commission made a survey of the nation's programs for a single week, to inform the United States Senate of the amount of advertising in them.

Total broadcasting on 582 stations amounted to 43,054 hours and 58 minutes. Taking broadcasting as a whole, both day and night, 63.86 per cent is the normal percentage of sustaining programs devoid of advertising, and 36.14 the commercial. It is doubtful if more than one minute in twenty, taking broadcasting as a whole, is devoted to the advertising of which such bitter complaint has been made.

●

Why, then, the howl? Because of the character of much of this advertising—blatant, offensive, and ill adapted to family groups in the nation's living rooms. And yet it is improving. More of the opposition is due to bad programs, and most of the diatribes are due to the supreme folly of the broadcasters, one crowning policy adopted *en masse,* by big and little, over-shadowing all the minor follies that add so much to the gaiety of life.

Through their national association they insist that commercial broadcasting is the "American Plan," the only undiluted, 100 per cent American plan, leaving to private enterprise, or commercial enterprise, complete control over the nation's radio. The educators, they jeer, had better leave this expert business of broadcasting to the commercial stations which know how to do it. Organized labor? City, state and national governments? How absurd, the commercial broadcasters say, to reserve any portion of the air to such interlopers!

"We," say the broadcasters, "are always willing, big-hearted, generous, and civic-minded as we are, to give the universities, colleges and the agents of labor and government access to our facilities. We'll give those funny professors all the time they want, as long as they can remember the public wants entertainment more than instruction. Just look at our contributions to general uplift! These people who don't like the way we're running radio today are nothing but a few cranks, and if you look at them closely you'll find a lot of Bolsheviks among them."

What the National Association of Broadcasters is actually defending, however, in fighting for the monopoly of the air waves by commercialism, is the right to stay poor. The trouble with commercial broadcasting is not that there is too much advertising in it—but that there is not enough, not nearly enough to enable the broadcasters to pay well for such necessities as talent and the right to use copyrighted music, and still make adequate profits.

Far too much time in the commercial stations has to go into sustaining programs which are totally expense, even though the best of them may be considered propaganda against a re-division of the nation's broadcasting facilities. If there were half as many commercial broadcasting stations as there are today, both the public and the broadcasters would be better served.

(The newspaper industry learned this twenty years ago. Four struggling newspapers in a single town meant four bad newspapers, paying starvation wages to reporters and editors, and giving the public a shoddy product. One or two newspapers in a single town, each of them strong financially, meant better papers for the public, and at least a living wage for the men who produced them.)

Moreover, it would seem to a layman to be in the public interest that a strong, non-commercial system of broadcasting be created in the United States, if only to act as an antidote against certain poisons inherent in commercialism itself. Granted that radio advertising has done marvelous things in American life in creating a mass market, thus enabling the millions to obtain many physical comforts and ornaments they otherwise could not have had. It is not, however, an unmitigated boon.

Advertising too often serves merely the sellers, rather than the buyers. Hence its new "science" of stimulating fears, hopes, prides and appetites of the uninformed masses. It is not occupied with selling cosmetics, but "romance." Instead of selling clothing and shelter, it sells fashion and swank. To what extent is the continuous preachment, "keep up with the Joneses though you go in hock," a beneficent service to the people of the country?

Broadcasting is new. Broadcasting is "in its infancy." Commercialism undoubtedly has a rightful and valuable place in its character, just as it has in the make-up of people. But there is an over-balance of commercial control in radio today, and its present set-up will not be the ultimate "American Plan." The American plan of anything is evolutionary, and tends to climb, as people grow in intelligence and competence, from a complete absorption in money-making to a fascinated interest in the more satisfying aspects of life.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Economic War Reports

Compiled by Edward H. Collins

Bulletin

Those whose business it is to observe closely the way the wind has been blowing in international trade since the war have not been unaware of the strong drift toward economic nationalism. But it took the World Monetary and Economic Conference to impress this trend on the public mind. The surprisingly nationalistic stand which President Roosevelt has taken at the conference promises to hasten the day when economic war as between nations is waged on a different basis and with different weapons. The day is rapidly drawing to a close when that manufacturer, whatever his nationality, can take over the market for certain goods if his price is lower, his quality higher or his advertising more fetching. A market now is to be the concern of a state rather than solely of its subjects, and monopoly control will necessarily be extended. Competition for markets may well turn out to be primarily a battle of state departments and foreign offices, and more attention will be given by the buyer to the principle of quid pro quo; in other words, barter will again be in the ascendancy. Once a monopoly is obtained over a market, such competition as there is will be between related industries, as for example between coal, oil and waterpower. The temptation is perhaps overstrong to turn prophet in the economic field after seeing how the tug of war between nations has gone at London; for it may be that the free market is not yet so near its end as he in the robes of a prophet would like to make it appear. But the London conference has made it possible for even the uninformed to see that a new business day is dawning.

●

British Front

THE PRICE RAISING policy which the Roosevelt Administration has been effecting has brought to light an unmistakable cleavage of economic interest between Great Britain and some of the Dominions, especially Canada and Australia. The depreciation of the dollar in terms of gold has beyond doubt worked a hardship on many of the British exporters, who have had, since April 17, to relinquish the advantage in competitive world markets which sterling's departure from gold gave them. But not so the Dominions. It is part and parcel of the Roosevelt economic theory to take the American wheat farmer out of the export field. No greater windfall imaginable could happen to Canada and Australia, to whom wheat is a main export reliance; it is of no great moment to them that for the time being the United States, with the paper dollar, is able to compete more successfully in the sale of manufactured goods to other lands. Not only can Canada and Australia gladly supply the wheat exports which the United States is giving up, but they can also get a better price for the grain they do sell. Britain, however, is squeezed from both ends. On the one hand, she sees her export market being lost to the United States and, on the other, she has to pay more for her imported foodstuffs. With competitive markets slipping again from her grasp, it is not surprising that Britain is again much interested in furthering the idea of Empire preference.

●

French Front

THE COUNTRY which tinkers with its tariff rates more frequently than any other is France. In this country a revision of the tariff is a major economic war operation, requiring endless hearings, debates, log-rolling and lobbying, with the result that one change in the import rate structure for every administration is about all that can be expected. But in France tariff revisions can be arranged practically overnight. No country tries harder, and with greater success, to protect its home market. When the World Economic Conference showed that it was going to let the United States make up its mind not to stabilize currencies, the government jammed through Parliament just before the summer recess a bill increasing the existing tariff rates from 30 to 150 per cent in sixty-four categories. In great part these higher rates are aimed at Germany and the United States and some will take the place of quotas instituted quickly in an emergency, but they will serve to keep out goods from any country trying to tap the French home market. While France may rail at the currency policy of the United States, the fact is that she has achieved the goal sought by Roosevelt, that is, higher prices, by tariffs and price fixing schemes. France's price level is above the world level. French wheat farmers, who can demand—and get—more from their legislators than the American farmer ever thought of, have just arranged to have the government guarantee them a price, at present exchange, of $1.54 for their crop.

●

Japanese Front

AT LONDON, Japan has taken the stand, whenever discussion turned to stabilization of currencies, that she would stabilize only after other countries had made known on what basis they would return their curencies to gold. She has not been an enthusiast for a restoration of the gold standard. And yet it is not easy to understand why she is content, even temporarily, with a paper standard. The yen, released from gold in December, 1931, depreciated more than the currency of any other first line Power; in terms of gold the yen is still around 60 per cent below parity, and even *vis-a-vis* the cheapened dollar it is at a 50 per cent discount. Here indeed would appear to be a currency which afforded a perfect test of the efficacy of depreciated money in bettering the foreign trade position. The harvest in the foreign trade field shows, though, that the increased cost of imports more than offset greater marketability of export goods. Fur-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

thermore, as the forethought would have warned, Japan's ability to sell abroad on the strength of a depreciated exchange was impaired by the increases in tariff rates which Egypt, China and India, three of her best customers, placed into effect. Paradoxically, too, Japan has been able to sell more abroad, not to the gold standard, but to the depreciated currency countries. So far as the internal price level is concerned no improvement occurred for about a year and then only an indifferent one. All in all, it would appear that Japan can fare better in a gold standard world.

●

German Front

GERMANY has the most ingenious currency arrangement of any of the principal powers. For domestic purposes it is still on gold, but for its exporters it is very much off gold. German exporters benefit by the existence of a large and growing body of blocked marks, representing funds due foreigners which cannot be transferred. Germany has just taken steps to increase the supply of these blocked marks by declaring itself unable to transfer 50 per cent of the service due on external long term debt. In this way the Reichsbank's reserves are to be replenished and exporters are to have access to a still larger supply of blocked marks, and the world's currency chaos is to be aggravated further. Because of the Jew baiting tactics of the Nazis, it was inevitable that German foreign trade would suffer as the boycotts spread, and it was therefore a foregone conclusion that Germany would have to offset these trade losses by stimulating other exports. The trade figures for June and the first half year show how exports suffered. The excess of exports over imports in June was only 29,000,000 reichsmarks, with imports up 23,000,000 and exports down 37,000,000 reichsmarks. The favorable balance in the first six months was 291,000,000 reichsmarks, against 602,000,000 last year.

●

Swedish Front

IN MOST QUARTERS where gold is held to be the villain of the Depression, the experience of Sweden is pointed to as an example of the beneficent results which can be achieved when a currency is released from its gold bondage. Any lingering doubts remaining as to whether a currency can be "managed," it is held, have been dispelled by the success Sweden has had in keeping her price level stable by monetary action. One cannot, it is contended, go behind the figures, and does not the official index show that wholesale prices in February were 106, compared with 107 in September, 1931, when gold was abandoned? In that period the high was 111 and the low 106. But by exploring further one finds that in this case the index numbers do not tell the whole story. The price level has held steady because the price of imported goods has gone up while that of export goods has fallen. Again, the stable price level was of scarcely discoverable advantage to business, contrary to the preachments of the currency managers. Business failures rose 25 per cent over 1932, against an increase of 11 per cent in the United States, and unemployment was 50 per cent greater last fall than in the preceding year. Swedish exports declined every month after the renunciation of gold; they even declined more, in terms of gold, than did American exports. Perhaps these figures are not conclusive. But it is submitted that they may justly raise doubts about the currency management panacea.

●

Russian Front

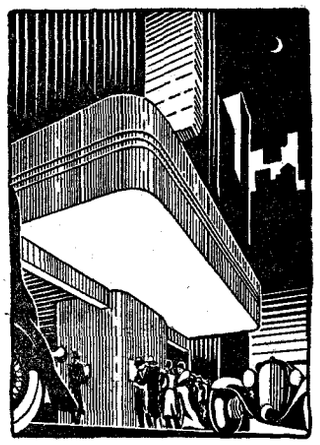
WHEN M. LITVINOFF, Soviet Foreign Commissar, told the London economic conference of the $1,000,000,000 of orders which Russia was ready to place if credit was made available, he spurred the Powers to new effort to claim a big share of the Russian market for themselves. Britain promptly withdrew the embargo on imports of Russian goods, in return for which Russia released the two British prisoners [of the Economic War] reposing in her prison cells. France invited M. Litvinoff to Paris, and the peripatetic Russian was sought out by emissary Moley at London. The American advances to Russia did not end there, either. On July 2, the day after the British trade conflict with Russia ended, the Reconstruction Finance Corporation lent $4,000,000 to Russia to buy American cotton, and Washington was not backward about intimating that recognition of Russia would not be long delayed. The Russian market has served this country well in the past. In 1920 only .3 per cent of our exports went to Russia, but by 1929 the percentage had risen to 3.5, by 1930 to 6.1 and by 1931 to 8.7 per cent. Partly as a result of the Depression and partly because of the clear unfriendliness to, and distrust of, Russia displayed by Hoover and his Administration, American exports to Russia last year were only 1.6 per cent of the total. Russia is such a potentially valuable customer of this country because she can take American machinery and cotton and metals. Russia, in other words, has not been a good customer because she bought our wheat—an export field from which we are withdrawing.

●

Latin American Sector

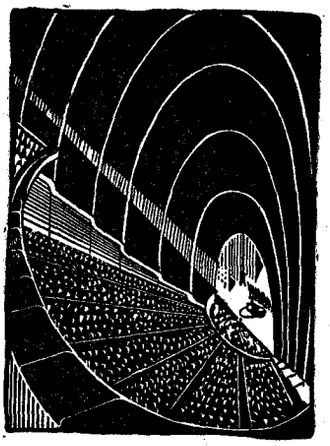
THE SOUTH AMERICAN scene has developed fast in the past two months, with signs of real improvement in many countries. Depreciation of the dollar has been a Godsend to those governments which are still paying service charges on their dollar loans, and in the case of Argentina our drastic monetary policy may well prove to have saved that country from default. The sharp rise in copper prices and the possibility of a more effective demand for nitrate fertilizers by the farmers of the world have given birth to hopes of economic recovery for Chile, but the situation there has been so acute that something more than hopes seems needed to justify investments in Chilean securities. President Roosevelt has announced his intention of pushing forward various trade agreements with South American republics and conversations have started with Colombia, Brazil, and Argentina. It will be interesting to see what we have to offer to these countries in return for increased purchases on their part of our exports. In the case of Argentina, except possibly for linseed, the great products of the pampa republic compete directly with our own agricultural output, and it seems difficult to believe that we will purchase Argentine grain or meat. In the case of Colombia and Brazil, we are already taking the bulk of their coffee output without tariff restrictions, and it is difficult to see what more we can do. The trouble with South America's purchasing power is the low value of the raw produce exported by that continent; just as soon as prices for raw materials rise, we shall find our South American neighbors buying our automobiles again without any need for special trade agreements.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



To See or Not to See

By Cy Caldwell



This Is America

Frederic Ullman, Jr., Picture

This is America indeed, a vivid and dramatic, an emotionally exciting record of our country and our people during the past two decades. Not Hollywood, but history, it etches sharply, poignantly, unsparingly the ideals, the follies, the hopes, the fears, the honor, the dishonor, the generosity, the greed, the strength and nobility, the weakness and the degradation of a people. This stark record is as meaningless as life itself, and as full of meaning; for it *is* life, our own and our country's life, in passing light and shadow, a relentlessly truthful account of the purposeful yet seemingly purposeless gropings of all of us in these decades of change. I urge you to see This is America; it is a stirring drama of realism in which we all have played a part.

●

When Ladies Meet

Metro-Goldwyn-Mayer Picture

This excellent screen comedy-drama is rather better than the stage play by Rachel Crothers in that it is more compact, more exciting, moves more rapidly, and therefore is more believable. It more deftly captures the essential mood of the play and transfers it to the screen without the intermissions and consequent let-downs necessitated by theatrical presentation in three acts. On the whole the acting is much better; the lines have been worked over and their comedy value has been improved; and Ann Harding, Myrna Loy, and Robert Montgomery are more pleasing to look at and much easier to believe in than were the principals who took part in the New York stage production. In looks and age, incidentally, is where Hollywood invariably scores over Broadway, where often you are asked to believe that some wrinkled female is stirring the pulses of an even more wrinkled leading man. Hollywood has learned the show value of youth and Broadway hasn't, which is another thing that is wrong with the legitimate theatre.

●

Private Detective 62

Warner Brothers Picture

To anyone who appreciates really smooth and finished acting, William Powell's portrayal of the detective will more than make up for an incoherent story that holds only one redeeming feature —a very ingenious murder. The rest of the yarn is a series of episodes in the life of a discharged secret service operative who becomes mixed up with a crooked private detective agency with its specialty of procuring manufactured evidence in divorce cases. However, if you accept the story with a good-natured shrug and keep your eye on Bill Powell you should enjoy yourself; after all, it must be very hard to think up a believable detective story.

●

College Humor

Paramount Picture

Well, if you're still in college this one may be entertaining; but if you've been out more than a year I think you'll find the viewing a trifle sad.

Pilgrimage

Fox Picture

On the pilgrimage of the gold-star mothers to France has been hung a yarn as doleful, tiresome, unnatural and dawdling as any these old eyes have encounterd in many moons. Undoubtedly it will be a box-office success, for it is fashioned shrewdly to harrow the emotions of the simple, and therefore will find no lack of customers, even in New York. But it is a too obviously manufactured tear-jerker to be genuinely convincing; around the whole production clings the evanescent ham aroma of old Vitagraph days when laundries did a thriving business on the damp handkerchiefs of the susceptible. The heroine, played and overplayed by Henrietta Crosman, is a selfish mother in the "Silver Cord" tradition who forces her son into war to prevent his marrying. After he is killed, his sweetheart and their son are ignored by the mother for ten years, when she makes the pilgrimage to France and by a lucky Hollywood coincidence meets a mother as selfish as herself. She undergoes a complete change of nature, and a startling reversal of character, and comes home to take to her heart her dead son's sweetheart and her grandson.

●

The Sphinx

Monogram Picture

As the Sphinx, Lionel Atwill goes in for the amusing business of murdering stockbrokers. I rather like the idea, though I didn't care especially for the picture.

●

The Mayor of Hell

Warner Brothers Picture

Festering social sores are the so-called reform schools run by many states, where unfortunate boys and young potential criminals are hazed by brutal and ignorant politically appointed cads of low degree and are confirmed in the ranks of crime. Nothing effective is done to call attention to this condition in a melodramatic film manufactured to exploit James Cagney, which it does well enough. Possibly the producers will consider the future cinema production of Little Ol' Boy, the earnest and worthwhile stage play by Albert Bein. It handles in a convincing manner the material which this cooked-up cinema melodrama merely stirs into a goulash for popular consumption.

●

Midnight Mary

Metro-Goldwyn-Mayer-Cosmopolitan Picture

If you like underworld dramas packed with action and thrills, Midnight Mary will entertain you, for it is an excellent specimen of its morbid kind, even though you have seen nearly all of it before, in some film or other. My trouble is that underworld dramas do not entertain me; which is a pity, for we get so many of them. I have had enough of girls from reformatories who, though they are living with Leo the Rat, really are pure in heart, and eventually shoot Leo to prove it; and I've had enough of noble young men who save Mary and her many film sisters from the clutches of the law.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Disgraced

Paramount Picture

When Nellie the Beautiful Cloak Model learns that she was merely a knicknack in a rich roué's love nest she takes a shot at him, proves that she is no Annie Oakley, and is hurled into a closet to await removal by the police. What more natural in a 10-20-30 drama than that her own father should be the police captain sent to apprehend her? He kills the villain, his daughter tries to shoulder the blame, but he proves that he fired the fatal shot to avenge Nellie's honor. All of which could have been avoided if the girl had said No in the first place. But in thirty years, Nellie and this type of thriller haven't changed, as Owen Davis and William A. Brady can testify.

●

The Narrow Corner

Warner Brothers Picture

Not even the six opium pipes smoked each evening by a character in the story could have a more soporific effect than this monotonous slow-motion melodrama of the South Seas, a genuine celluloid Ostermoor. In my immediate vicinity at the Strand I heard and saw three sleepers; and only devotion to duty prevented my joining them.

●

I Love That Man

Paramount Picture

After ambling along for half of the picture with a dull and tiring account of the love of a social worker (Nancy Carroll) for a slick confidence man (Edmund Lowe), this unbalanced drama swings into a series of incidents that galvanize it into some semblance of life—if you can accept as real life young ladies lying in glass coffins to demonstrate them to undertakers, and yeggs digging into a bank vault through the basement of a house in which the residents are held prisoner, a baby is born, the mother dies, and the bereaved father kills one of the toughs, when he really should have killed the authors. Incidentally, it took two of them to think the thing up; no single brain could have provided all of the ingredients for this Hollywood hash.

●

Gambling Ship

Paramount Picture

Just another gangster picture, this time with rival gangs operating gambling ships off-shore, and with the phoniest shipwreck you ever laughed at. I often think it would be a good idea if movie producers could be tried on the charge of boring the public, convicted, and sentenced to thirty days in a movie theatre watching their own productions.

●

Professional Sweetheart

RKO-Radio Picture

In the present low state of the shadow drama, Professional Sweetheart will do as light summer entertainment, even though it runs through most of its fun in the first twenty minutes and is hard pressed to trundle on as a comedy of feature length. It's a swell two-reeler attenuated to seventy minutes, and the stretching process is somewhat painful for all concerned. Obviously inspired by that movie lampoon, "Once in a Lifetime," it pokes good-natured fun at the radio racket, though people who have sat through many commercial radio programs will accept the film not as burlesque, but as realism.

●

Bed of Roses

RKO-Radio Picture

When poorer pictures are made, I'll let you know so you may avoid them if my report reaches your eye in time. Constance Bennett does her best with a dismal yarn that has to do with a woman of easy virtue who takes a trip on a Mississippi steamboat, jumps off when she is accused of stealing money from a male passenger, is rescued by Joel McCrea as the captain of a cotton barge, journeys to New Orleans and becomes the mistress of a publisher, who supplies advertised Bed of Roses, and leaves him because she prefers the barge captain and catfish dinners, or so I gathered. That's all there is; there isn't any more.

Best of Enemies

Fox Picture

If the shade of the late William Shakespeare has been keeping track of the drama during recent years, it may have noted with pained surprise that the houses of Montague and Capulet have been reconditioned by the film world, first with the Cohens and the Kellys and now with the Hartmans and the Schneiders. And as Mercutio remarked, "A plague o' both your houses" The current Romeo and Juliet are Buddy Rogers and Marian Nixon, complete with band, in an old German setting. Very pianissimo.

●

It's Great to Be Alive

Fox Picture

Yes, but not if you have to look at many pictures as bad as this one. The master minds who conceived it hit upon the startling idea of having all the men in the world except one, a nondescript romantic with an atrocious accent, die of a disease called masculitis. The nondescript unfortunately escaped the undertaker and returned to plague us in the last reel or two, while the women fought over him. With a first-rate comedian in the leading role, this farcical idea might have been developed into something amusing.

●

Samarang

B. F. Zeidman

Worth seeing are the shots of undersea life, a fight to the death between an octopus and a shark, native divers bringing up pearl-bearing oysters from the bottom of the sea, that Director Ward Wing brought back from the Pacific island of Samarang. Of little interest is the exceptionally tame story of the love of two handsome natives and their adventures on an island supposed to be inhabited by cannibals, who never even catch them. Samarang is pleasing, scenically beautiful, dramatically inert, a silent picture with sub-titles and musical accompaniment. A nice, cool, sleepy picture for a hot day. Don't let the wild sex advertising fool you—that's just the publicity man airing his complex.

●

Baby Face

Warner Brothers Picture

Baby Face tells the story of a young woman who rose from rags to riches by using her wiles on thirteen men. It's a sort of Oliver Optic yarn in reverse gear. Lily Powers started life in her father's speakeasy in a steel town, went by freight train to New York, entered the service of a large bank, and by the artful use of sex went through that bank and ruined it as completely as though she had been elected president in the first place.

●

Hold Your Man

Metro-Goldwyn-Mayer Picture

If you care a snap about the celluloid love life of a Brooklyn hussy and a petty swindler, as portrayed by Jean Harlow and Clark Gable, here it is laid on with fresh colors through an old stencil dealing with two members of the minor criminal class who find love just as they fall foul of the law. Personally, though I admit I'm in a minority, I find the love affairs of such characters about as interesting as a romantic episode in the life of a New York alderman.

●

Melody Cruise

RKO Radio Picture

This musical farce has all the elements of first class summer entertainment, but they are mixed up and spread out in such a manner that the production as a whole is merely a beautiful long yawn with music and occasional laughs.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Plague of Vice-Presidents

By H. A. Batten

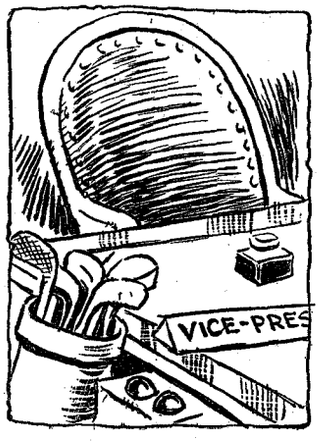
H. A. Batten, who is a vice-president of N. W. Ayer & Son, discusses the problem of the existent dead wood in the personnel of G.H.Q. of American business.

MUCH has been written of late, concerning the economic consequences of the World War. It is beginning, very belatedly, to be understood that wars must inevitably be paid for, and that the price—in terms of lives, of goods, of social distress and maladjustment—is tragically high. But very little has been said of one of the fruits of war which bloomed with great profusion in this country—that dwarf species of Vice-President which grows side by side with the authentic variety on the tree of American business.

It is a favorite convention of the professional economist to speak of economic events and forces with a god-like impersonality. The Law of Supply and Demand, the Law of Diminishing Returns—these and all the other phrases of economic parlance are as coldly barren of human implications as the Quantum Theory itself. Yet what we have always before us is essentially a human problem. The science, or more properly the study, of economics is simply an attempt to arrive at a progressively more efficient order of human relationships. It deals, not with calculable quantities such as molecules and electrons, but with the highly volatile and erratic elements of human lives. It is complicated by factors making the existence of the individual both arduous and unpredictable.

●

The problems of economics should be approached, therefore, not (so to speak) *in vacuo,* but always with reference to their human probabilities. It is not enough merely to state an abstract theory of production and distribution. No such theory has any great practical worth for the solving of immediate difficulties, unless we consider also the quality of the leadership available to achieve the desired effect.



There have been indications lately that our political leadership will prove equal to the task imposed upon it. Mr. Roosevelt has acted with speed and decision. He has embarked upon a constructive program which offers rather more than an even chance of permanent good. But when we turn to finance and industry—and more specifically to a large proportion of the Vice-Presidential caste—the prospect is anything but encouraging. With the possible exception of the late unlamented Congress, there has never been a more flagrant instance of incompetence and irresponsibility in high places.

The edifice of business is like a pyramid. You have at the bottom a broad basis of common labor. Then come various strata which increase, supposedly, in ability as they decrease in numbers; and at the top, alone upon the apex, sits the President, the Chairman, or other executive head.

With one exception, the business pyramid, as it exists today, is, to use a Hooverian phrase, fundamentally sound. The great mass of labor is more skilled, more intelligent, better educated than it ever has been. The Presidents, the Chairmen, etc., are for the most part smart and able citizens who have won their spurs in good times and bad. But the Vice-Presidential layer—the personnel, as it were, of the General Staff—is honeycombed with dry rot. It swarms with gorgeous, but ineffectual, brigadiers whose experience, prior to 1929, was confined to prosperity and economic peace. If the business structure is to preserve its natural strength and solidity, that layer must be thoroughly gone over and cleaned out.

The theoretic importance of this group to modern American business can hardly be over-estimated. The final responsibility for the success or failure of an enterprise rests, inevitably, upon its titular head. Yet there are few businesses today which can operate profitably under absolute one-man control. Unless one has in the President's office an industrial or administrative genius, there is always a definite need for many minds, many temperaments and capacities in subordinate key positions. The growth of the organism demands a certain driving force from below which resides in the natural ambition and resourcefulness of the younger men.

●

It is this group, the stratum of the Vice-Presidents, which supplies (or ought to supply) the life-blood of the business—the men of an age which may combine vitality with discretion, enterprise with experience, courage with good sound sense. It is the group, too, *from which the Presidents and Chairmen of tomorrow must be recruited*—the breeding-ground of our future High Command.

Such is the theory. But in actual practice—under the special circumstances which now prevail—the Vice-Presidential stratum falls far short of the ideal. The collapse of the secondary High Command under the stress of hard times is one of the major phenomena of the Depression. In fact, the average corporate Vice-President today is—and is

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

known by his associates to be—an idol with feet of clay. He is a false god, a stuffed shirt, a creature of paint and sawdust.

It has required an unparalleled economic depression, of course, to bring this fact home. While all goes well, the weak can survive and flourish. The congenital order-taker becomes a super-salesman. The believer in *laissez-faire* passes muster as a sound and enlightened administrator. But at the first breath of misfortune these imposing figures are deflated. They either flounder ineffectually, or sit terrified and do nothing. In the vulgar but expressive idiom of the day, "they can't take it."

●

Such a widespread and disastrous failure must have a cause, and that cause is not difficult to discover. The truth is that we are suffering, at this late date, from one of the immediate consequences of the war.

The war started in 1914. Almost with the first gun, a tidal wave of orders swept across the Atlantic and broke upon our shores. Those were hectic (and from the industrial point of view) halcyon days. It was the greatest seller's market of all time. Everywhere the cry was for goods, goods, and still more goods. Every mill and factory worked night and day, making munitions, chemicals, textiles, war supplies of all descriptions. Nothing was sold; everything was bought. Purchasing agents called upon salesmen, and waited patiently to see them. Man-power was at a premium; employers took what they could get. Prices were out of sight, and salaries with them. The gold rush to the Klondike was a funeral march in comparison.

This was the time at which our present Vice-Presidents were just entering upon their business careers. In their mid-twenties, they had had time to identify themselves with some business or other, and to set foot upon the first rung of the ladder.

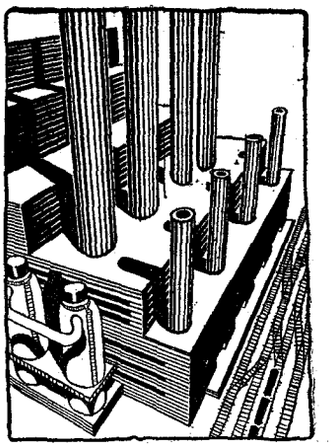
Then, overnight, the ladder turned to gold. It was converted, also, into a sort of industrial escalator. It moved upward of its own accord. And standing upon its steps, with the star of destiny shining upon their foreheads, the fortunate young men went up with them.

The participation of the United States in the World War did little to interrupt their triumphal progress. Many of them, for one reason or another, were spared military service. They had acquired families, they were engaged in essential occupations, etc., etc. Those who went into the Army or Navy were assured by their superiors that their jobs would be waiting for them when they returned; and when, a year or so later, they were mustered out again, they returned as heroes to their former posts.

●

Meanwhile, the seller's market continued. The war was over. Billions of dollars' worth of war supplies had been made, and consumed. But of the produce of peace—houses, apartments, motor cars, radios, cosmetics, clothing—there was a notable dearth. The world was four years behind in its normal production schedule.

To fill this need, the factories of Europe and America—factories enlarged and geared up to war-time output—were adapted and set to work. All along the line the air shook with the clang of swords being beaten into plowshares. Every one had a job and money in his pocket. Orders grew on every bush. Salesmen flourished like the green bay tree. It was good to be in business and alive.



This pleasurable state of affairs lasted for almost three years. Then there was a noticeable slowing up. Production had caught up with Demand. It was no longer possible for industry to operate at wartime capacity. By 1922 most of the war-size plants were running on part time, or not running at all. Orders were becoming fewer and fewer.

Obviously, something had to be done. Either industry must draw in its horns and cut down on its operating capacity—or some means must be found to make people buy its products, whether they needed them or not.

The former course was unthinkable. Industry had spent a lot of money on those plants—an investment which could not be liquidated save at a heavy loss. Furthermore, there was a big profit to be made out of them so long as they operated on full time. To retrench now—to adjust Supply to Demand—would be unprogressive and un-American. Prosperity had become a habit. The only true way, it seemed, lay forward, in direction of Bigger and Better things.

The master-minds of American industry, therefore, set themselves to the task of making the Demand fit the Supply.

At this point two ideas were brought forward which succeeded, eventually, in getting the parade once more under way. One was the idea of Artificial Depreciation. The other was Instalment Selling.

Artificial Depreciation is the art of selling a man a certain product; and immediately thereafter bringing out a new model with certain fresh features—either superficial or fundamental—designed to make him dissatisfied with the one he has.

Instalment Selling is a variety of money-lending, at interest, for the purpose of financing a sale.

The combined technique involved (1) creating a desire for a certain piece of merchandise through Artificial Depreciation; and then (2) arranging to finance its purchase on the basis of the customer's future earnings.

The scheme was put into effect. New models of everything, from automobiles to tooth-brushes, appeared with dizzying rapidity. Credit expansion became the order of the day. Instalment buying was made so easy that any one on a $1,200 salary, who happened to have a few hundred dollars in his pocket, could walk into an automobile agency and drive off with a $3,000 car. Nobody asked what would happen if he died or lost his job. It was assumed that he would live for years, that his salary would increase continuously and that he would go on buying more and costlier goods to a ripe old age.

The consequence was that almost every American was soon mortgaged up to the ears. He was paying monthly instalments on a radio, an electric refrigerator, an automobile, a vacuum cleaner and a new home. He was playing the stock market—on margin—and his name was up for membership in a country club. His wife had three charge accounts, and used them, and his daughter had developed a taste for sixteen-dollar shoes.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Everywhere the goose hung high. There was no saturation point in sight. Every one had money, or some place where he could borrow it. Wheels turned, factory chimneys belched smoke, train-loads of instalment merchandise rumbled through the night. And in their rosewood offices the high priests of commerce sat with complacent smiles. Their mornings were devoted to round-table conferences; their afternoons to golf. Once more, they hadn't a care in the world.

In an atmosphere such as this, founded upon false premises and an utterly false sense of values, it was inevitable that the wrong man should get ahead. Everything was "front." It was the happy-hunting-ground of the hot-air artist and the personality-purveyor. The politician, the blow-hard and glad-hander, was in his element. For each sugar-plum that dropped from the tree into his mouth, he gave himself full credit and a hearty pat on the back. He spent his time in cultivating the right people, and in commending himself to the attention of the Powers-That-Be. In the end he got what he was angling for. He became a Vice-President.

Thus was engendered that plague of Vice-Presidents which finally over-ran American business like a swarm of devouring locusts. It became smart to be Vice-President; in fact, it became eventually a necessity. Could a Vice-President of one firm have dealings with a person of lesser parts from another company? Obviously no. It was a reflection upon his dignity. Therefore the party of the second part had to be made a Vice-President, too. His dignity, in turn, demanded similar safeguards; and so on, *ad infinitum*.

Salesmen, in particular, discovered that the title of Vice-President upon the visiting card flattered the vanity of the prospect and secured a readier *entrée*. This, alone, was sufficient to double the number of Vice-Presidents almost overnight.

In the end, the average corporate personnel began somewhat to resemble that of a Central American army—composed entirely of generals. The classic instance of the advertising agency with seventeen Vice-Presidents out of a total personnel of sixty, is an extreme but characteristic case. It was the perfect symbol of the Age of Bluff, the supreme achievement of the horse-shoe Napoleons.

It is difficult to conceive, in this hard-bitten year of 1933, to what depths of laxity and moral softness American business sank in that golden age. A sort of spiritual corruption pervaded everything. Deals were made over luncheon tables, not by any system of competitive values, but through private influence and interest. Choice posts went, not to the ablest man, but to somebody's brother-in-law. Each executive was surrounded, like an Oriental despot, by his own little court of sycophants. Offices became hotbeds of politics and petty intrigue. Every one was intent upon easy money, and regarded it as his right. It was, if there ever was one, a fool's paradise.

There were, it is true, a few cool heads in the land. In the summer of 1929, at the very height of the boom, Stuart Chase completed a volume entitled "Prosperity—Fact or Myth?" which exposed the fallacy of the whole insane idea. There were others, too, who stood out against the dementia of the moment. But these were voices crying in the wilderness. No one believed them. No one wanted to believe them. They were regarded as gloomy old spoil-sports and Jeremiahs, lamentably lacking in vision.

The crash, when it came, caught the fair-weather captains totally unprepared. There arose a great wailing and wringing of hands. Most of them were so busy trying to cover their market losses that they altogether neglected the businesses with which they were nominally concerned. A few of them took refuge in the pistol and the fifteen-story leap. But the rest of them lingered on. Haggard, hysterical and unhappy, they gave up their mistresses and their express cruisers, but they kept their jobs. They kept them because it had not yet occurred to any one to turn them out.

The final stage, the one which exists today, may best be described as the Alibi Era. It began when the conviction became general that there was not going to be any immediate recovery, and that we were in for a rather bad time. The sad truth forced itself upon business that the goose, which in its day had produced golden eggs so abundantly and miraculously, was incontrovertably dead. The greatest debauch in history was over; it was time to get back to work.

This chastened and painful awakening was probably one of the best things that ever happened to America, but for the straw men of finance and industry it was the writing on the wall. It meant that after fifteen fat and flabby years the time of testing was at hand—a time when "front" would no longer serve; when words must give place to deeds; when the fakirs and the four-flushers would be forced to come to grips with reality, and prove or disprove their worth. It meant that the man with a thorough knowledge of his business, and the natural ability to put it into effect, would at last come into his own.

Almost at once a slow process of selection began. It was a process instituted, not by human agency or intent, but by the very logic of events. It consisted simply of this: the really capable executives, after the first few moments of stunned inaction, pulled themselves together and began to produce results. The others did not.

Like everything else in this world, results are relative. Not even an Alexander of finance or industry could have produced results in 1932 comparable to those of 1927 and '28. But as between one company and another—as between one department and the next—marked differences in condition could, and did, appear. It became increasingly apparent that certain businesses were getting the desirable orders, and others were not. Some departments were reorganizing, weeding out incompetents; others were doing nothing. In this quarter, new processes and methods were constantly being developed; in others, the same old system was being followed in the same old way.

It became so pronounced in time that even the incompetents themselves could no longer afford to ignore it. At once a chorus of alibis was raised. The ingenuity displayed by these gentlemen in explaining their failures would almost have served, if properly applied, to turn them into successes. They discoursed learnedly of cycles, trends, technological unemployment, and economic laws. They placed the blame sadly, but firmly, upon their subordinates and associates. They spoke darkly of Russia, the tariff, and the rate of foreign exchange. In fact, save for sun spots and the great Humboldt Current, no influence—either human or physical—was omitted from their plaint.

And for a while—such was the prestige engendered by fifteen years of unexampled prosperity—these excuses carried a certain amount of conviction. It was difficult to believe that persons of such established reputation and im-

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

posing presence could be talking through their hats. Yet in the course of time, a large number of people did come to believe it; and that number is increasing every day.

At the present moment many of these cardboard giants are still in office. A few of them already have been forced out by circumstance. The question is: how to dispose of the remainder, and to secure in business, as well as in politics, the much heralded New Deal?

A Vice-President is an august and awe-inspiring creature, but he is an employee, just as truly as the janitor and the elevator operator, and he can be fired. Or, to preserve the decorum worthy of large affairs, his resignation can be accepted. It is only necessary that somebody do the accepting.

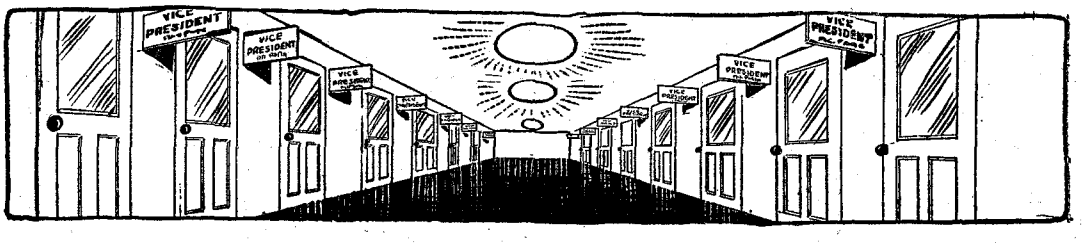
That responsibility devolves upon the President; and it is one which he cannot honorably avoid.

Such a responsibility may not be altogether pleasant to discharge. Many a Vice-President doubtless combines with his incompetency a considerable amount of personal charm. He may have played golf with his President, and entertained him in his home. He may even belong to the same lodge, or college fraternity. Yet this is a matter which transcends liking, or even friendship. The lives and fortunes of many millions of people are bound up with the conduct of American business. In justice to the employees laid off and existing on starvation wages; in justice to the stockholders whose investment is entitled to a fair return, the President of every corporation should see to it that the key positions are filled with capable men. Not otherwise shall we find a way out of our present difficulties.

The individual heads—the Presidents—of American business today are for the most part grand old men. They have all the strength, and the weaknesses, of strong men. They have fought their way to the top largely through hard work, confidence in themselves, and an irresistible power of will. Such men are born individualists. They are prone to be intolerant of wills and opinions in others. They incline either to surround themselves with Yes-men, or to insist upon doing everything themselves. Yet business today is too complex, too vast, for the one-man method. Now, if ever, it has need of all its brains, all its resources of skill and imagination. Like Moses in the battle with the Amalekites, the President needs strong men near him to support his arms.

There was a phase in the history of American business which manifested itself in "weeks." We had Apple Week, Good Roads Week, Take Care of Your Teeth Week, and others too numerous to mention. I am almost tempted to suggest to the present heads of American business the observance of Vice-President Appraisal Week. I should like to set a time at which every Vice-President in this country would be given a searching examination—not on the basis of his relatives, or the excellence of his tailor, or his fund of amusing anecdotes—but on the hard facts of his record during the past three years.

But that, perhaps, is a trifle fanciful. Let us instead make this a matter for daily thought and contemplation. Let us weigh carefully the merits of our Vice-Presidential caste. Let us look at them impersonally, critically, and ask ourselves what they have accomplished during their stewardship. Then, if we find they have not proved equal to the responsibility entrusted to them, let us do the wise, the necessary thing. It may not be easy, and it may not be altogether pleasant. But it will be best for everybody in the end.



PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

American Independence—New Style

by Henry Carter

What is the new foreign policy of the United States? Henry Carter, long associated with the State Department, analyzes America's latest declaration of independence from European affairs.

AMONG the ancient and honorable traditions of the American people has been the habit of celebrating once a year the signing of the American Declaration of Independence of 1776. The sentiment upon which this custom is based is a worthy one, and one from which we derive no little national satisfaction, for the signing of that document led, after a bitter armed struggle, to the establishment of our political liberty as a sovereign nation.

In the course of our history we have repeatedly been obliged to reassert that liberty by word and deed, and a very pretty list might be compiled of what might be termed our subsidiary Declarations of Independence. Towards its preservation, Washington and Jefferson laid down the cardinal principle of non-entanglement with European affairs, a policy based alike on our geographic position and our political interest, and quite properly, in spite of the lapse of a century and a half, their advice has stood as the cornerstone of American foreign policy. To maintain political freedom of action we fought an undeclared war with France in 1798 and an open one with England in 1812. A decade later we effected a logical extension of that policy in the promulgation of the Monroe Doctrine. In 1867 we forced the French out of Mexico, in 1893 we risked war with England to prevent European encroachments in the Western Hemisphere with their potential threat to our security, and in 1898 we drove the Spanish from Cuba. Again during the World War we stood ready to fight England, and did fight Germany, in order to maintain our traditional freedom of action, and if this fact had been better appreciated both by ourselves and others, much of the misunderstandings and acrimonies of the past fifteen years might have been mitigated.

Unfortunately we did not view things quite in this light. Confused by the notion of making the world safe for democracy and of bearing to that end a transcendent burden of responsibility for abating the many and grievous ills of the world, we embarked upon a course guided in large part by Wilsonian idealism, or its pale Republican counterpart (which latter while abhorring the League of Nations swallowed most of its works), a course which was characterized by a vague but sacrosanct ideal of international coöperation as the touchstone of national virtue, and by a welter of nobly conceived paper projects for international peace and prosperity. There ensued fifteen years of international conferences, of disarmament plans, League of Nations activities, Kellogg Treaties, Stimson notes, all highly publicized and press-agented, all highly laudable, and nearly all, alas, having little correspondence to the hard realities of international existence, or to the sordid considerations of American national interest.

Earnestly and honestly impressed with the need for continuous and concerted international action in the confusion of the post-war world, whether within or without the framework of the League of Nations, American diplomacy faltered and fumbled uncertainly toward the goal of a hypothetical moral leadership of the world, while the voice of the past sounded dim, and perhaps out of date. Europe was not slow to avail herself of American moral aspirations and took the occasion to write down the amounts due on war debts to the United States and to refinance her economic wreckage with American capital.

●

And yet old and ingrained instinct dies hard, and for all our internationalist leanings and for all the implications of our conscious policy, the old Adam of Isolationism was not dead but was continuing to assert itself, subconsciously, not always obtrusively, but nonetheless inevitably, in little noted declarations of our independence of European affairs. The Irreconcilables had kept us out of the League of Nations and from guaranteeing the Treaty of Versailles, and now blocked our adherence to the World Court. In settling the war debts, we declined to make their payment in any way contingent upon the payment of the reparations assessed against Germany. And in 1927 we broke up the Geneva Naval Conference rather than compromise our claim to naval parity with Great Britain and our right to a navy suited to our own needs. In spite of our words our acts followed the older pattern and for all our uncertainties we did not come out so badly as we might.

In 1929 the overbalanced and overstrained economic structure of the world collapsed and in the ensuing depression it became apparent for all to see how closely our fortunes were bound to Europe through financial and commercial ties, regardless of our geographic and political independence. World action to meet the world depression

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was the order of the day and was accepted as an article of faith. The moratorium came and went but the depression continued; reparations were abolished and war debts defaulted in part; *in extremis* a World Economic Conference was called to meet in London to combat world depression and was generally regarded as the last source of hope before civilization slid into the abyss. Such was President Hoover's view and such was President Roosevelt's belief when he entered office March 4, 1933, and assumed Mr. Hoover's commitment to the principle of the Economic Conference. As late as May 16th he telegraphed the nations of the world:

"The happiness, the prosperity, and the very lives of the men, women and children of the world are bound up in the decisions which their governments will make in the near future. . . . The World Economic Conference will meet soon and must come to its conclusions quickly. The world cannot await deliberations long drawn out. The Conference must establish order in place of the present chaos by a stabilization of currencies, by freeing the flow of world trade and by international action to raise price levels. It must, in short, supplement individual domestic programs for economic recovery by wise and considered international action."

●

This philosophy was thoroughly of a piece with American post-war thought, and two weeks later an American delegation sailed for London under the leadership of Cordell Hull, Secretary of State, former Senator from Tennessee and leading exponent of the traditional low tariff policy of the Democratic party with its emphasis on international trade as the true source of prosperity, whose explicit instructions were to act in the sense of President Roosevelt's message.

And yet, three weeks later, that delegation's negotiations toward currency stabilization, a principal objective of the Conference, were disavowed by Washington, and on July 3rd the Conference was thunderstruck by President Roosevelt's abrupt and angry refusal to consider further negotiations on the subject and his blunt indication that so far as the United States was concerned she would seek her economic salvation through domestic action, and a policy of economic self-sufficiency. Thus stricken, the Conference died leaving only a pallid ghost to preserve the decencies and to haunt the scene of its brief activities. This sharp and revolutionary reversal of policy was greeted by a corresponding burst of anger, resentment and criticism in Europe and did not pass uncensured here. Ramsay MacDonald, who had conferred personally with Mr. Roosevelt only a few weeks previously, felt that he had been deceived and let down, while the French press let its ingrained anti-Americanism run riot. In the flood of comment which followed Mr. Roosevelt's surprising knockout blow to the Conference, one man alone appears to have hit at its real significance when Mr. J. H. Thomas, British cabinet minister, observed on July 4th, "Why celebrate today? America declared her independence yesterday!"

●

The fact is that, for all the astonishment caused and all the recriminations aroused, Mr. Roosevelt's act and statement of purpose were but the logical and inevitable outcome of an internal trend of American national policy, a trend which was but dimly seen or realized until it burst upon the world. So far had the tempo of events in the United States been accelerated since the installation of the Democratic Administration, so far had we been indoctrinated with the notion of the utter interdependence of the nations of the world, that the full implications of the New Deal as it might affect our foreign relations had not been grasped even by its sponsors and proponents until it was seen that its first fruits of returning prosperity might be blighted by international action. At that point our course became at long last unmistakably clear, and with characteristic alacrity and sureness Mr. Roosevelt plumped for economic nationalism, economic self-sufficiency and economic independence from Europe.

So much has happened since March 4th that it is almost necessary to remind the reader that President Roosevelt entered office at the lowest point of a prolonged and world-wide economic depression and at the moment of a financial panic in the United States which compelled as his first official act the closing of all the banks in the country to prevent irretrievable disaster. To deal with the panic and the Depression was, and is, his first duty, the price of his tenure of office, and the criterion whereby his Administration will be judged. What measures he took are a matter of common knowledge and will not be discussed here except as they affect the question of American foreign policy.

●

While the domestic situation was, of course, Mr. Roosevelt's first preoccupation, as it must continue to be his principal one, foreign affairs were exceedingly pressing. Together with the Depression, the Democrats had inherited a world diplomatic crisis, or rather a series of crises. The war debts, already defaulted in part, clamored for immediate attention; the Disarmament Conference at Geneva, on which rightly or wrongly so many hopes had been staked, threatened to collapse entirely to the great peril of the peace of Europe before the new and destructive elements injected into the armaments problem by the Hitlerite revolution and the chauvinistic and unrestrained demands of an hysterically nationalist Germany; the World Economic Conference scheduled to meet in June seemed to offer a last, and fleeting, chance for combating the world depression before it overwhelmed Western civilization; Japan continued her calm and calculated conquest of Manchuria and Northern China, oblivious alike to League blusterings and Stimsonian threats of non-recognition of her gains; an unrecognized and unregenerate Russia confused the councils of an already distracted world, while Cuba and South America seethed in a practically continuous process of economic and political revolution; the peace of the world seemed everywhere in jeopardy and the post-war machinery for its maintenance in the form of the League and the Kellogg Treaty had demonstrated its impotence to cope with the stark facts of national and international realities, which might engulf

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

even the United States in a new and more destructive struggle, regardless of our geographic isolation.

●

Mr. Roosevelt had scarcely hung up his hat in the White House before urgent advances were made by our erstwhile allies and associates in the World War for an immediate and drastic revision of the war debts settlement. While not unprepared for this onslaught, Mr. Roosevelt appreciated to the full the potentially explosive force of Congressional and public opinion on this subject, an opinion which was violently opposed to cancellation, and in some quarters even to reconsideration. With the success of his measures for dealing with the domestic situation dependent upon the whole-hearted support of Congress, the President could afford to run no risk of losing his hold on that body, and it was consequently necessary for him to play for time. The foreign ambassadors were informed that the Administration considered the war debts problem to be of distinctly secondary importance beside the potential accomplishments of the projected Economic Conference, which it was hoped would so stimulate international trade through stabilizing the currencies and lowering tariff and trade barriers to world commerce as to reduce the matter of the war debt payments to a negligible place in world economy. To this was added Mr. Roosevelt's invitation to the nations to send representatives to confer with him personally and informally in Washington as a preliminary step to the success of the Economic Conference. The response to this was immediate and eager. A succession of foreign missions, headed by Ramsay MacDonald, Prime Minister of England, and M. Herriot of France, started on the pilgrimage to Washington armed with suggestions as to possible procedure at London on currencies and tariffs, and also with urgent pleas for debt revision.

Up to this point Mr. Roosevelt and his Secretary of State, Mr. Hull, had acted on well defined conventional diplomatic lines. Hitherto the United States as a gold standard country had attached great importance to the stabilizing of currencies as an essential condition to the great desideratum of a restored world trade. But at this juncture, while MacDonald and Herriot were still on the water, Mr. Roosevelt took his first independent step in foreign affairs. Without warning and without the spur of immediate necessity he employed his newly acquired Presidential powers to take the United States off the gold standard and to let the American dollar find its own level as an initial step in his primary task of raising prices in the United States. His move took the entire world by surprise and shocked the European governments and press into indiscreet expressions of anguish and wrath: no longer could the British with their depreciated currency enjoy extra advantages in the American market; no longer could the French manipulate their stocks of gold to influence the United States as she had attempted to do with some degree of success during Laval's mission to Washington in 1931, and as she had successfully done in the cases of Austria and England during that same year. The moans of England and France and the others became so piteous that Secretary Hull felt obliged to issue a statement denying that the departure from gold had been in any way designed to add to American bargaining power at the London Conference, and declared that it had been occasioned solely by the exigencies of the American domestic situation.

While this satisfied no one, the assiduous exercise of Mr. Roosevelt's personal charm and persuasiveness on MacDonald and Herriot succeeded in allaying some of the alarm and resentment which the unforeseen American move had aroused, but the move was none the less a fundamental one in the development of the American policy which two months later wrecked the Economic Conference.

However fortuitous in its origin, the definite advantage gained through this act and the real power obtained by Mr. Roosevelt's policy of controlled inflation were not to be abandoned, and the course of subsequent events proved that the President was minded to exploit it to the full in his dealings with other nations.

In the meantime a new development had arisen which threatened to disrupt, not only the London Conference, but the peace of Europe. This was the seizure of power in Germany by the Hitler movement and the resurgence of nationalistic aspirations in Germany in their most blatant and jingoistic forms, to the accompaniment of an almost psychopathic persecution of German Jews by the new and essentially revolutionary German government. Up to this point an increasingly sympathetic ear had been given to German views on general disarmament and even as to the question of revising the Treaty of Versailles, with the result that the perennial Disarmament Conference at Geneva had at last been able to entertain some real hope for a substantial degree of disarmament. Overnight all this changed, and a growing attitude of friendliness toward Germany was replaced by one of deep distrust and apprehension as one excess of word or deed succeeded another, while the conviction grew that the old *furor Teutonicus* was again about to plunge Europe into turmoil and war.

●

Not content with the progress made at Geneva toward granting Germany eventual arms equality with the rest of the world, Germany demanded the immediate right to rearm as it chose. In the face of general outcry and protest, perhaps spurred on by it, Hitler announced his intention of making an important pronouncement of German policy on the 17th of May. What its nature would be seemed only too apparent, given the defiant and exalted mood of Nazi Germany. Diplomatic maneuvers to head him off had failed. In this moment, critical alike for the Arms Conference, the Economic Conference and the peace of Europe, there was an instinctive looking toward Washington for a word which would avert calamity.

The President was prompt to see his opportunity and early on the morning of the sixteenth he dispatched his circular telegram to the heads of the nations of the world urging that prompt steps be taken to secure a real measure of disarmament at Geneva to enable both the Geneva and the London Conferences to accomplish their part in the fight against world depression. Further than that he urged the adoption of a non-aggression pact and

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hinted broadly that in the event that disarmament were accomplished the United States would be disposed to take a more active part in preserving the peace of Europe against an aggressor than it had been hitherto inclined. (This latter suggestion was supplemented a week later by Mr. Norman Davis, speaking as Ambassador-at-large of the United States, who stated that upon the achievement of disarmament we would not only be willing to consult the other powers in the event of a threat to peace, but would, provided we concurred with the other powers as to the responsibility or guilt of an aggressor, "refrain from any action tending to defeat such collective action as these States may make to restore peace." This offer was the high water mark in our post-war tentatives as regards political collaboration with Europe in the cause of peace and towards meeting the French thesis of security, and in view of later happenings is not one that is likely to be renewed.)

Whatever the fate of Mr. Roosevelt's proposals as they applied to the actual solution of the problems confronting the Disarmament and Economic Conferences, it is certain that they served their immediate purpose in affording the bellicose Hitler with a way out of the impasse of intransigence in which he had involved himself, for when he addressed the Reichstag on May 17th he was mild as any suckling dove and, indeed, struck an admirably statesmanlike and moderate tone. The crisis was safely passed, in spite of widespread doubts as to Hitler's essential sincerity, and the Arms Conference redoubled its efforts, unsuccessfully as it proved, to conclude its labors prior to the opening of the Economic Conference.

●

This disposed of, all attention once more centered upon the Economic Conference, and on May 31st the American delegation sailed for London. Just prior to their departure there were two noteworthy developments: Mr. Roosevelt hired away from the Bank of England Professor Sprague, an American economic specialist whose services had been secured by the British Government to devise and operate the financial machinery whereby Great Britain had effected her departure in 1931 from the gold standard and had maintained her exchange at a figure suitable to her requirements. This assured us of being at no disadvantage whatsoever in the matter of manipulating the exchanges toward our own ends, as well as in the negotiations which it was assumed would take place at London to stabilize the currencies. It was a shrewd, if relatively minor, move. Then on May 20th Professor Moley, Assistant Secretary of State, delivered a radio speech in which he warned the American people against expecting too much of the Economic Conference, and in the course of which he used the following prophetic and highly significant words:

". . . It is a popular fallacy that the Depression has acted like a kind of disease which has swept one nation after another by a process of contagion. The fact is that there are many depressions in many countries which did not come upon them at the same time and which have not affected them in the same way. It is overwhelmingly clear that a good part of the ills of each country is domestic. The action of an international conference which attempted to bring about cures for these difficulties solely by concerted international measures would necessarily result in failure. In large part the cures for our difficulties lies within ourselves. . . . Our domestic policy is of paramount importance . . . common sense dictates that we build the basis of our prosperity here and direct all our efforts to the end that our national welfare and prosperity may lead us away from the distress into which the Depression plunged us."

This was economic nationalism with a vengeance, and it was duly recognized as such by nearly everyone except the high officials of the Administration. No word came from the White House, and Mr. Hull left for London confident in the belief that his mission in London was to stabilize currencies and secure a lowering of tariff and trade barriers. Mr. Moley was a voice crying in the wilderness.

But as it turned out Mr. Moley was right and Mr. Hull was very, very wrong. During May and the early days of June the monumental legislation, generically known as the New Deal, was taking definite form and was laying the foundations of a new national economic policy unlike anything we had ever known before. To some it has appeared little short of a political revolution, but however that may be, it is no exaggeration to describe its effect upon the American political and economic point of view as that of a psychological and philosophical revolution. Its influence upon American foreign policy was no less marked. Suffice it to say that the establishment of a control of production both as to agriculture and manufacturing in the United States, through the Farm Bill and the Recovery Act, carried with it as an essential condition to its success the protection of the American market against any foreign importations which might defeat the purposes of that control. In a word, we were no longer in a position to foster an increase of foreign trade through reciprocal trade agreements, a hitherto favored project, for without a reduction in our tariffs it was clear that we could expect few trade concessions from foreign nations.

●

Again, in adopting the policy of raising American price levels through a vast public works program and a method of controlled inflation and probable ultimate monetary devaluation, our interest lay in permitting the depreciation of the dollar and in avoiding any measure of stabilization, whether by international agreement or domestic act, which might interfere with a rise in American prices before we should have brought them to a convenient level. But currency stabilization and tariff reduction were the two principal objectives of the London Conference, and while these goals had seemed highly desirable to us while we were on the gold standard and under the belief that economic relief was to be had through an increased international trade, they wore a very different aspect once we were off gold and had embarked upon a program which amounted to economic nationalism and self-sufficiency. The two policies were utterly incompatible and sooner or later a choice between the two was inevitable.

What that choice would be was unmistakable. The establishment of a national domestic policy of planned economy, controlled inflation and national self-sufficiency was greeted by a sharp and sustained rise in all American commodity and security values, and for the first time in four years we seemed to have turned the corner and to have a reasonable prosperity at last in sight. It was not to be imagined that President Roosevelt would permit anything, much less a commitment at the London Conference, to

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interfere with this beneficent process, and yet this seems to be precisely what Europe and many of our own people seemed to expect should be done in the interests of "international coöperation." For these latter there is this much to be said: even as late as the middle of June the Administration had failed ostensibly to appreciate the fact that in going off gold and in adopting the New Deal legislation we had *ipso facto* entirely transformed the character of our foreign policy. What we had in fact was a new foreign policy, but no one seemed to know about it with the possible exception of Mr. Moley, who apparently was not sufficiently sure of it to warn the American delegation in London of the fundamental change that had taken place. President Roosevelt's instinctive acts in dealing with foreign affairs had been swifter, surer and sounder than had his processes of rationalization. Mr. Roosevelt was at that time a very busy man!

Thus while we had in our hands all the elements of the new policy, the psychological situation was such that it required international pressure in London, plus a certain amount of highly justifiable irritation, to establish that fact in its full and unadorned truth.

With the gathering of the Economic Conference in London on June 12th things moved rapidly indeed. To the consternation and annoyance of the American delegates, Ramsay MacDonald, in his opening speech, raised the sore subject of war debts, a question which it had been agreed would not be discussed at the conference, and thus opened the way for a general European attack upon the debt settlements, payments on which were due three days thence. While this was in a sense inevitable (the London Conference was the direct outcome of the Lausanne Conference of 1932 which had abolished German reparations in the expectation of a revision of the war debts, and regardless of previous agreements not to discuss them their continued existence was constantly before the eyes of every nation involved), none the less, MacDonald's reference in violation of the previous understanding gave every appearance of being an attempt on the part of the European debtors to gang up on the United States and was resented accordingly.

This unpleasant impression was not dispelled when on June 15 a practically wholesale default ensued. Great Britain and Italy offered so-called token payments, while France and her eastern European allies made no attempt either to pay, or to conciliate the Washington authorities. Not content with this, France next attempted to gain control of the chairmanship of the all-important monetary commission of the conference in opposition to the American nominee, Mr. Cox of Ohio, former Democratic candidate for the Presidency; and it is reported that Mr. Cox gained this position only after a direct and pointed reference to France as a defaulting nation.

Following this passage, France and her allies, including now Italy, constituting the European "gold bloc," entered upon conversations with the American and British financial experts looking toward immediate if temporary stabilization of currencies. The American delegates, who, as has been noted, were singularly badly instructed and totally uninformed as to the new orientation of American policy, joined in these negotiations and on June 17th announced that a tentative agreement had been reached. Needless to say, stabilization during the conference was wholly to the advantage of France and the gold standard countries, and by the same token the last thing which the United States desired; indeed, the news caused an abrupt check in the steadily rising price level of American commodity and security markets. The issue between the two policies at last lay clear and President Roosevelt acted without hesitation in declaring for the continuance of the American domestic policy and in disavowing the agreement reached by his delegates in London, through the declaration that until American price levels had been raised to a normal height all consideration of stabilization was out of the question, and by recalling the American financial experts involved from London.

Bewildered and discredited, subjected to a withering barrage from the British and French press, the American delegates floundered hopelessly at a loss to represent or explain an American foreign policy which they did not understand, and which had not been explained to them; and it became necessary for the President to dispatch Professor Moley to London with fresh instructions and with a detailed explanation of the new American policy of self-sufficiency as applied to foreign affairs. Pending his arrival the conference marked time.

●

With his arrival the gold bloc launched a fresh attack. Following the American refusal to stabilize, even temporarily, the exchanges had fluctuated with ever increasing violence. Would not the United States, France asked, subscribe to a wholly innocuous declaration, which would vaguely refer to the ultimate desirability of the gold standard, and would it not take measures to check speculative operations on the foreign exchanges which France and the gold standard countries were finding most disconcerting and undesirable? Unless there were concessions on these points France would, it was intimated, be obliged to leave the conference. Even Mr. Moley was impressed to the extent of submitting their proposal to Washington. And even he must have been surprised by the extent to which Mr. Roosevelt, by now completely disgusted with the French tactics, carried his refusal to consider it. The showdown had come and Mr. Roosevelt's reply of July 3rd shocked Europe into a realization of the true position of the United States: whatever critics may say of its tone, it remains the authentic expression of American policy.

The subsequent American maneuvers for the prolongation of the conference are of purely technical interest, designed as they were to prevent an unfair and disproportionate burden of responsibility for the conference's demise from being shouldered onto the United States.

But it is far from being all loss. It has given us the opportunity to find, and finding, to assert, our economic independence of Europe once and for all, and thereby to attain our national salvation. We shall have to pay for it in the reduction of foreign trade and in the cancellation or repudiation of the greater part of the debts, public and private, owed us by foreign nations, but it may be well worth it—indeed, as Mr. Keynes has recently observed, our new policy of self-sufficiency may afford a more solid basis for world peace than any we have known before. Yet the greater gain lies in our restored and unrestricted freedom of action, in our return through the new policy to the wisdom of the past. Mr. Roosevelt seems to have recaptured the authentic American rhythm in foreign affairs; no longer have we to pay or applaud whilst others call the tune.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Outlook Book Choice of the Month

Reviewed by Robert Cantwell

THE FIRST WORLD WAR: A PHOTOGRAPHIC RECORD. Edited with an Introduction by Laurence Stallings. $3.50. New York: Simon and Schuster. 320 pages.

THERE ARE five hundred and thirteen photographs in this book, chronologically arranged, and designed to build up a sense of the far reaches of the World War, of its immeasurable cost in terms of human suffering and material destruction, and of the appalling uselessness of war as an instrument for solving those problems which, we are so frequently told, make it inevitable. I imagine that there are now very few who would not agree with the general message conveyed by the photographs; few who would not agree that the World War created vastly more difficulties than it settled; that it led to the creation of means of slaughter more ingenious and more barbarous and more cruel than any man had previously imagined; that the years, while it raged, represented the lowest known point in man's recorded history; that the unknown millions who were sacrificed died, by a refinement of horror, most thoroughly in vain. Or, if there are some who cannot accept this view, "The First World War" should be forced under their eyes. It might not convince them. It would at least disturb their complacency.

It would disturb them in spite of the fact that the photographs as a whole by no means emphasize the physical horrors of the conflict, or dwell exclusively on the human suffering involved, as have several collections of war photographs in the past. On the contrary, such photographs are perhaps too infrequent in this volume, although, in general, those which are included are effectively placed. What Laurence Stallings and the staff that prepared the book have obviously tried has been to suggest, as completely as pictures *can* sugggest, all the different sides of modern warfare: propaganda, mass excitement, diplomacy, training methods, revolution, mechanical warfare, strategy—and, of course, actual fighting, famine and death. The photographs show the excitement of crowds on one page, and acres of dead men a few pages farther on; the concern of rulers and the drawn faces of starving individuals; the plans of generals and their consequences in terms of territory, shells and human flesh. There are pictures of factories and churches, and reproductions of cartoons and newspapers, as well as the more usual scenes of devastation on the battlefields; and there are a few ironic civilian glimpses, like the one showing a portly Englishman urging that aliens be imprisoned, which remind one forcibly that a sense of humor must be the first quality to be destroyed in war time.

From this point, after it is said that almost every photograph has some exceptional quality, and that none of them are familiar, a review of "The First World War" must become a simple enumeration of some of the more striking impressions it conveys. Laurence Stallings calls attention to a few of the outstanding photographs in his introduction, but there are dozens which stick in the memory like thorns, and which convince one again with the difficulty of communicating visual impressions with words. First, there is the dazed, expectant and almost childlike expression of the faces in the early crowd scenes. In a photograph of a column of Eton students, parading with rifles and top hats too large for them, the faces have a drugged, imbecilic appearance; there is not a spark of human curiosity, humor or cunning as far as the eye can reach.

In a group of French prisoners, the five most conspicuous faces reflect despair, defiance, vanity, suspicion and bewilderment with such unmixed emotion on each face that the picture serves as a kind of synthesis of all possible attitudes toward the War. A few pages further on there is a picture of a group of London policewomen running through the streets warning of a Zeppelin raid; to look at it is to imagine how drastically the normal courses of their lives were interrupted; they look as if they had stitches in their sides, as if their feet hurt them. Then there is the sharp contrast between the first pictures of mass enthusiasm and the enthusiasm of an anti-conscription meeting in London, of a protest in Brooklyn, of the revolutionists in Petrograd and Berlin—these pictures suggest that for the mass of the people the war enthusiasm disappeared as fast as the casualty lists came in, and the expressions on the faces of the crowds reading the reports confirms such a view.

But this touches only a few pictures out of more than five hundred, and it is only isolating what is much more powerfully communicated by the photographs themselves. One point remains to be made, and that is that the meaning of individual pictures grows steadily the more the book is studied. I cannot summarize my own impressions of it, except to say that it now seems, making due allowances for the tendency of strong impressions to disappear, to be unforgettable.

●

Books and Reviews

This month's unbalanced reading list must surely begin with "Anthony Adverse," Hervey Allen's five pound romance, published by Farrar and Rinehart. It is something of a literary, critical, and commercial surprise, a novel of twelve hundred pages, laid in far places and remote times, and yet exciting a large body of readers, and setting the critics to falling all over each other's superlatives in praising it. Laid end to end, Anthony's adventures reach from Africa to Cuba and back to Paris. There are dozens of plots and enough characters to fill a good-sized village. There are several love stories (generally good) and a surplus of battles, journeys, intrigues, commercial dealings, speculative and philosophical interludes. The book is care-

(*Continued on page* 58)

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Talk of the Nation

Majorca Madness

THE CURRENT GOINGS-ON in Majorca, as reported by the daily press, remind us of a similar melodrama that was put on in Palma last summer. Incidentally, we are in a position to assure skeptical newspaper customers that these pleasing Majorcan wrangles are really on the level, and not just publicity stunts thought up by the Spanish Tourist Bureau to keep the Balearics before the American eye.

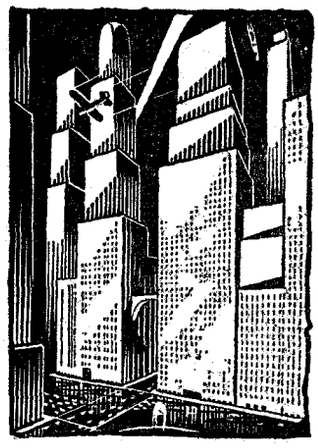
Three expatriates (one female, American; one male, American; one male, English) were seeing some friends off on the Barcelona boat. There was a goodly crowd around the gangplank, what with passengers, crew, hangers-around, police, gypsies and spies, and the see-ers-off became separated—the lady getting on board with the departing guests while the two men were delayed. When they tried to get on in their turn for the last farewells, they met with the obstacle one is always running into in Spain: the ubiquitous *Guardia Civil*. The Anglo-Saxons had mislaid their phrase-books, and they probably couldn't have found the appropriate sentiments anyway, so they just tried to push through. This is always a grave tactical error in dealings with the *Guardia,* even if they do wear tiny, black patent-leather tricorne hats and green suits; in this case, our heroes were neatly handcuffed and led with fitting ceremony to the nearest jail before they could say *"mañana."*

When the lady came back off the ship and learned what had happened, she was, naturally, much upset. She immediately went to the *Gran Café* to pull herself together and to take counsel. Then she moved on across the street for more condolences and advice. There was considerable variation of opinion concerning the best course to follow for the liberation of the prisoners, as well as to the location of the jail. After a great deal of telephoning and messenger-work it was found that the British Consul had left the island for a visit; that there never had been an American Consul; and that the *Gobernador* was in his palace after a hard day and couldn't be reached.

The prisoners were finally located and interviewed by a searching party of Americans. Like all good expatriates, they were fairly well acquainted with the interiors of Continental police-stations, and they behaved much more philosophically than their sympathizers. They even intimated that their cause might be served better if the relief squad returned to bed (by this time it was about two in the morning) and ceased their eloquent harangues to the puzzled jailers. So wine and cigarettes were obtained, exhortations to courage were distributed, the visitors left with reluctance, and the guards were finally able to get back to their cards.

Next day the foreign colony was humming with indignation. The journalistic group, as a man, decided to attend the hearing and show the magistrate that the great newspapers of the world would hear of the outrage.

At the police court that afternoon the two culprits were summarily discharged with a 25-peseta fine. The spokesman for the journalist arose in protest. What had these men done, he asked; it was intolerable that these free citizens be penalized for a grotesque blunder by the police. And so forth. It was a good speech. The magistrate asked who all these interested spectators were. When he was told they were gentlemen of the foreign press, he asked for their passports. As passports were just not being carried that summer in Palma, not one was forthcoming. In accordance with an obsolescent statute, therefore, the magistrate ordered a fine of one hundred pesetas to be paid by each reporter present.



The Unblemished Record

MR. FRANK MYERS, of Grand Rapids, Mich., writes to us submitting his name for the all-time unsuccessful job-hunters' championship. It is his proud boast that he has been trying to get a job almost continuously for twenty-nine years, ever since he came out of college with a Mining Engineering degree. Any kind of a job. So long as he got paid some fixed sum at stated intervals, it would be just what he wanted.

The nearest Mr. Myers ever got to regular gainful employment was when he applied for admission to the Army in 1918. He was accepted and ordered to report for duty on November 15. Any history expert will be able to compute for you that he was just four days too late.

●

The March of Education

FROM THE EXTENSION DIVISION of the New York State Colleges of Agriculture and Home Economics (in coöperation with the United States Department of Agriculture) comes a bulletin on hat-picking.

In language that is reminiscent of the beauty-specialists' most eloquent literature, the ladies of the Empire State are directed to "look critically at face and figure in a full-length mirror, both with and without the hat. If the face shows deep lines from nose to mouth, or even tiny sagging lines in the cheeks, close-fitting, up-turned models will be more becoming than those with wide, droopy brims, which repeat the drooping lines of the face. On the other hand, a round, plump face looks all the rounder and plumper in a snug turban which outlines the face. [Yum yum!] To repeat, in a hat, lines which appear in the face, generally accentuates the face lines. The rule holds for good lines as well as for bad ones. . . ."

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Illustrated above is the Chevrolet Sedan Delivery, $545. Chevrolet trucks are priced as low as $440. Chevrolet passenger cars are priced as low as $445. All prices f. o. b. Flint, Michigan. Special equipment extra. Low delivered prices and easy G.M.A.C. terms.

Sir Walter Raleigh rides in style in

CHEVROLET SIX-CYLINDER TRUCKS

Take out a Raleigh cigarette, or cram your favorite pipe with fragrant Sir Walter Raleigh tobacco. Light up, sit back, and absorb this valuable piece of information: Brown & Williamson, the company that created those two popular favorites, finds Chevrolet trucks the most economical in the entire field. Economical from the standpoint of first-cost. Most economical in the matter of upkeep. And far, far easier on gas and oil than any other truck on the market. What's more, their experience checks exactly with that of hundreds more of America's biggest fleet owners! All agree—it's Chevrolet for lowest cost. You can't ignore the straightforward, unbiased cost reports kept by these leading companies. You don't want to ignore them when they point the way to savings. And that's exactly what these records do—*they prove beyond a doubt that any commodity you can name travels cheaper in Chevrolet trucks.*

CHEVROLET MOTOR CO., DETROIT, MICH.

The LEADING CHOICE *of leading firms for* LOWEST TRANSPORTATION COSTS

CHEVROLET

A GENERAL MOTORS VALUE

CHEVROLET PASSENGER CARS AND TRUCKS

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

FLORIDA

beautiful in AUTUMN...

HOTEL GEORGE WASHINGTON
Jacksonville

HOTEL TAMPA TERRACE
Tampa

HOTEL MAYFLOWER
Jacksonville

HOTEL LAKELAND TERRACE
Lakeland

HOTEL FLORIDAN
Tampa

HOTEL DIXIE COURT
West Palm Beach

HOTEL ALCAZAR
Miami

Every comfort and convenience for the business man, vacationist or visitor. Every room with bath. Excellent facilities, large beautifully furnished rooms, splendid sample rooms, coffee shoppes.

AT MARVELOUSLY LOW COST

FLORIDA COLLIER COAST AND ASSOCIATED HOTELS

Truly Florida's Finest Hotels

Rates NOW $2.00 up and $2.50 up

Write for booklet
"Vacationing in Florida"

Books

(*Continued from page* 55)

fully, rather than sensationally, written, and Mr. Allen is actually at his best in the most dangerous scenes—dangerous, that is, in the sense that they border on the fantastic. The episode involving Napoleon, Anthony, Anthony's mistress and her "husband" reveals how skillfully Mr. Allen can handle a delicate situation, and how reckless his imagination is. Much of the robust adventure and almost all of the soul-questioning seem to me to be repetitious in comparison with this quietly dramatic writing. T. S. Matthews has characterized the novel as belonging among the very good, the mostly true, and the rather beautiful, and his reservations may seem more important when the present tumult dies.

The other substantial fiction includes Phyllis Bentley's "Carr" (Macmillan) and Pearl Buck's "The First Wife and Other Stories" (John Day). Both are disappointing in comparison with the best work of their authors: "Carr" is a sort of prelude to Miss Bentley's fine "Inheritance," and was in fact written several years before it. It is a fictional biography revolving around the English textile industry, lacking the broad historical sweep that was the most notable feature of "Inheritance." Pearl Buck's Chinese stories seem a little weary—at best they are tender and frail, and at worst sentimental. In "Stranger's Return" (Harcourt Brace) Phil Stong again pictures the dreamy Iowa of "State Fair," a Never-Never land inhabited by shrewd and gentle humorists, contented farmers, hired men who are really pastoral philosophers. Mr. Stong has used all the devices in the scenario writer's tool-kit except the happy ending; he has the disputed will, the scheming kin, and feigned madness which unmasks the plot. The story revolves around a Greenwich Village girl who goes back to the farm and falls in love both with the soil and her neighbor's husband. It is easy reading, if you can close your eyes to the Iowa of farm strikes and foreclosures—something Mr. Stong's satisfied people never heard of.

Herbert Asbury's "The Barbary Coast" (Knopf) deals in a leisurely manner, with almost affectionate detail, with the intricacies of vice in what was probably the toughest area

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

70¢ Now Buys Any Book in the

EVERYMAN'S LIBRARY

Among the most popular titles at the present time are:

- ☐ Marx's Capital (2 vols.)
- ☐ Cellini's Autobiography
- ☐ Franklin's Autobiography
- ☐ Poe's Tales of Mystery and Imagination
- ☐ Everyman's English Dictionary
- ☐ Spinoza's Ethics
- ☐ Plato's Republic
- ☐ Emerson's Essays
- ☐ Scott's Ivanhoe
- ☐ Longfellow's Poems
- ☐ Roget's Thesaurus (2 vols.)
- ☐ Mills' Utilitarianism
- ☐ Tomlinson's Sea & Jungle
- ☐ Smith's Wealth of Nations (2 vols.)

✓ Check this list or make your own selection from any one of the 896 titles in this library.

Well printed, uniformly bound, strict integrity of text, and careful editing by Ernest Rhys, in conjunction with such outstanding figures as Chesterton, Masefield, Priestly, Lang, Lodge, Saintsbury, Havelock Ellis, Santayana, Belloc, Symons, etc.

The most complete series of the world's literary masterpieces in existence. It embraces English and foreign literature, classical and modern, books for pure pleasure as well as for wisdom and knowledge.

Sold in single volumes not costly sets.

E. P. DUTTON & CO.
300 Fourth Avenue, New York City

N.B.—Plan now to build up your personal library.

Are You Going to Washington

to Start the Wheels of Your Industry?

WHETHER it be in connection with conferences on industrial codes or the administration of the $3,300,000,000.00 Public Works Program, the WILLARD HOTEL is your logical headquarters — adjacent to

General Johnson's Office
Office of Secretary of Interior Ickes
Home Loan Bank Hdqtrs.
Farm Loan Board
Public Works Budget Hdqtrs.
New Commerce Building
Office of Postmaster General Farley
White House Offices
Railroad Administration

The **WILLARD HOTEL**
"The Residence of Presidents"
14th and Pennsylvania Ave.
Washington, D. C.
H. P. SOMERVILLE,
Managing Director

of America. He covers the field thoroughly; by the time you have finished his book, if you've studied it, you know the names of most of the saloons, dives, dance halls, opium joints and brothels that ever operated along Pacific and the surrounding streets of San Francisco. You know their appearance, prices, history, and the fine shades of degradation that distinguished them—you even learn something of the careers of their more famous patrons. Mr. Asbury is a real scholar at his exceptional subject; he digs up everything from the number of Chinese prostitutes (2000) to the costumes worn at different periods in the history of the Barbary Coast. Somewhat like scholars in more respectable fields, Mr. Asbury occasionally takes it for granted that all the detail he unearths is interesting, and sometimes seems too exact in recording that this or that forgotten individual operated this or that joint at this or that time. The photographs and prints are excellent.

The really odd book, however, is an unclassifiable work called "The Child and the Ape" by W. M. and L. A. Kellogg (Whittlesey House)—a record of an experiment that involved submitting a young chimpanzee and a baby to the same environment for about a year. This meant that the chimpanzee—about the baby's age—wore such un-animal hinderances as shoes and diapers, and was treated with the affection and care that the child received. The investigators are cautious with their conclusions, but it seems clear that the ape responded wonderfully to being brought up in a modern, well-run home. The book is a natural target for ridicule, and most of the reviewers have ridiculed it. Personally, I found it charming; the photographs alone are remarkable, while the experiments—particularly the ingenious "suspended cookie" test—are fascinating, even though a source of chagrin to the human race.

"The Romantic Exiles," by Edward Carr (Stokes) tells a part of the life story of Alexander Herzen, 19th Century revolutionist and Russian exile, particularly emphasizing his domestic troubles, which were intense. Mr. Carr devotes the bulk of his biography to analyzing the consequences of an amorous triangle, a particularly complicated one, and minimizes Herzen's work as a revolutionist, writer and politician. But the book is good reading, and superior to Mr. Carr's previ-

Do you AIM... *or just hope to* WRITE?

A GREAT deal depends on your reaction to that question. Naturally, desire to write does not necessarily mean ability to write. Yet it is surprising how rapidly a man or woman with keen interest in writing will overcome personal limitations and handicaps. The first efforts of many of our most successful authors are crude and amateurish. Here in the Newspaper Institute, many students who are now actually selling their work barely managed to pass the Writing Aptitude Test required for admission into the course (see coupon below).

A TYPICAL EXAMPLE

Darrell E. Jordan, P. O. Box 277, Friendship, N. Y., is one of many students who made rapid progress under N.I.A. training. He writes:

"Perhaps you will be interested to learn that I have just sold two more stories. One of these was to The Blue Book, and the other was sold to True Detective Mysteries. I feel quite encouraged, for I consider both these magazines a step in advance of the ones I have sold to formerly."

This and numerous other experiences with ambitious writers have convinced us that writing is in a class by itself. All the wanting in the world won't make a man of weak physique into a football player—or a tone-deaf woman into a great singer. *But if you really want to write—and if you are willing to make a real, intelligent effort to learn to write, the odds are heavily in favor of your getting somewhere in the writing game.*

Learn to Write by Writing

Newspaper Institute training is based on the New York Copy-Desk Method. It starts you writing in your own home, on your own time. Week by week you receive actual assignments, just as if you were right at work on a great metropolitan daily. All your writing is individually corrected and criticized by veteran New York newspaper men—editors who have had years of experience "breaking in" new writers. They will point out those faults of style, structure or viewpoint that keep you from progressing. They will give you constructive suggestions for *building up* and developing your natural aptitudes.

In fact, so stimulating is this association that student members often begin to sell their work *before* they finish the course. We do not mean to insinuate that they sky-rocket into the "big money" or become prominent overnight. Most beginnings are made with earnings of $25, $50, $100 or more for material that takes little time to write—stories, articles on business, fads, travels, sports, recipes, etc.—things that can easily be turned out in leisure hours, and often on the impulse of the moment.

How you start

We have prepared a unique Writing Aptitude Test. This tells you whether you possess the fundamental qualities necessary to successful writing—acute observation, dramatic instinct, creative imagination, etc. You'll enjoy this test. The coupon will bring it, without obligation. Newspaper Institute of America, 1776 Broadway, New York.

Newspaper Institute of America
1776 Broadway, New York

Send me, without cost or obligation, your *Writing Aptitude Test* and further information about writing for profit, as promised in New Outlook, August.

Mr. }
Mrs. } .....
Miss }

Address .....

(All correspondence confidential. No salesmen will call on you.) 45H453

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

TRAVEL BARGAINS

Below you will find dates for sailings to Havana, Bermuda, Around the World and Vacation Cruises, from New York City. In the Around the World and Short Cruises minimum rates have been quoted and are, of course, subject to change. Use the coupon below if you desire further information on any one or more items. This service is gratis for the readers and friends of NEW OUTLOOK.

HAVANA SAILINGS
from New York

Aug.	5	MORRO CASTLE	Arrive Havana Aug.	8
Aug.	5	VIRGINIA	Arrive Havana Aug.	8
Aug.	9	ORIENTE	Arrive Havana Aug.	12
Aug.	10	QUIRIGUA	Arrive Havana Aug.	13
Aug.	10	PRES. ADAMS	Arrive Havana Aug.	14
Aug.	12	MORRO CASTLE	Arrive Havana Aug.	15
Aug.	16	ORIZABA	Arrive Havana Aug.	19
Aug.	17	PETEN	Arrive Havana Aug.	20
Aug.	17	PRES. JACKSON	Arrive Havana Aug.	21
Aug.	18	CANTA PAULA	Arrive Havana Aug.	21
Aug.	19	MORRO CASTLE	Arrive Havana Aug.	22
Aug.	19	PENNSYLVANIA	Arrive Havana Aug.	22
Aug.	23	ORIENTE	Arrive Havana Aug.	26
Aug.	24	VERAGUA	Arrive Havana Aug.	27
Aug.	24	PRES. HARRISON	Arrive Havana Aug.	28
Aug.	26	MORRO CASTLE	Arrive Havana Aug.	29
Aug.	30	ORIZABA	Arrive Havana Sept.	2
Aug.	31	QUIRIGUA	Arrive Havana Sept.	3
Aug.	31	PRES. WILSON	Arrive Havana Sept.	4
Sept.	1	SANTA ROSA	Arrive Havana Sept.	4
Sept.	2	MORRO CASTLE	Arrive Havana Sept.	5
Sept.	2	CALIFORNIA	Arrive Havana Sept.	5

BERMUDA SAILINGS
from New York

Aug.	9	QUEEN OF BERMUDA,	Arrive Bermuda Aug. 11
Aug.	10*	LADY DRAKE	Arrive Bermuda Aug. 12
Aug.	12	MONARCH OF BERMUDA	Arrive Bermuda Aug. 14
Aug.	16	QUEEN OF BERMUDA,	Arrive Bermuda Aug. 18
Aug.	19	MONARCH OF BERMUDA	Arrive Bermuda Aug. 21
Aug.	19	WESTERN WORLD	Arrive Bermuda Aug. 21
Aug.	23	QUEEN OF BERMUDA,	Arrive Bermuda Aug. 25
Aug.	24*	LADY NELSON	Arrive Bermuda Aug. 26
Aug.	26	MONARCH OF BERMUDA	Arrive Bermuda Aug. 28
Aug.	31	QUEEN OF BERMUDA,	Arrive Bermuda Sept. 2
Sept.	1	MONARCH OF BERMUDA	Arrive Bermuda Sept. 3
Sept.	2	AMERICAN LEGION	Arrive Bermuda Sept. 4
Sept.	6	QUEEN OF BERMUDA,	Arrive Bermuda Sept. 8

**Boston to Bermuda*

3 to 26 DAY CRUISES *from* NEW YORK

Aug.	5	DUCHESS OF BEDFORD	9 days	Quebec, Montreal	$ 60
Aug.	5	MAURETANIA	12½ days	Trinidad, La Guayra, Curacao, Colon, Havana	125
Aug.	5	TRANSYLVANIA	12½ days	Saguenay, Quebec, Murray Bay, Bermuda	90
Aug.	11	MANHATTAN	3½ days	Bermuda	50
Aug.	12	MUNARGO	12½ days	Nassau, Miami, Havana, Miami, Nassau	115
Aug.	12*	NERISSA	26 days	Halifax, St. Pierre, St. Johns, Montreal, Charlottetown	150
Aug	12	KUNGSHOLM	6 days	Bermuda, Halifax	75
Aug.	12	CALIFORNIA	12½ days	Saguenay, Quebec, Murray Bay, Bermuda	90
Aug.	12	FRANCONIA	12 days	Havana, Nassau, Bermuda	105
Aug.	15	DUCHESS OF BEDFORD	9 days	Quebec, Montreal	60
Aug.	19	TRANSYLVANIA	12½ days	Saguenay, Quebec, Murray Bay, Bermuda	90
Aug.	21	BRITANNIC	3½ days	Halifax	40
Aug.	22	MAURETANIA	12½ days	Trinidad, La Guayra, Curacao, Colon, Havana	125
Aug.	25	DUCHESS OF BEDFORD	5 days	Quebec, Montreal, Cruise terminates here	40
Aug.	25	WASHINGTON	3 days	Bar Harbor	40
Aug.	26	MUNARGO	12½ days	Nassau, Miami, Havana, Miami, Nassau	115
Aug.	26*	FT. ST. GEORGE	26 days	Halifax, St. Pierre, St. Johns, Quebec, Charlottetown, Montreal	150
Aug.	26	CALIFORNIA	10 days	Bermuda, Havana	75
Aug.	26	FRANCONIA	13 days	Boston, Saguenay, Quebec, St. Pierre, Bermuda	105
Aug.	30	GRIPSHOLM	6 days	Bermuda, Halifax	70
Sept.	1	GEORGIC	3½ days	Bermuda	50
Sept.	1	TRANSYLVANIA	3½ days	Halifax	25
Sept.	1	CALEDONIA	3½ days	Halifax	25
Sept.	1	PARIS	3½ days	Bermuda	50
Sept.	2	AQUITANIA	3½ days	Halifax	50
Sept.	5	TRANSYLVANIA	12 days	Quebec, Murray Bay, Saguenay, Bermuda	90
Sept.	8	MANHATTAN	2 days	At Sea	20
Sept.	8	GEORGIC	4½ days	Nassau	45
Sept.	9	MUNARGO	12½ days	Nassau, Miami, Havana	115
Sept.	9*	NERISSA	26 days	Halifax, St. Pierre, St. Johns, Quebec, Charlottetown, Montreal	150
Sept.	9	MAURETANIA	12½ days	Trinidad, La Guayra, Curacao, Colon, Havana	125

**For 12 day cruise, passengers return from St. Johns on connecting steamer, $100.*

OUTLOOK TRAVEL BUREAU
515 MADISON AVENUE
NEW YORK, N. Y.

I am interested in the following travel bargain. Please send me more information:

.....

.....

NAME AND ADDRESS..... 8-33

AROUND the WORLD

Jan. 4, 1934 EMPRESS OF BRITAIN
130 days—$2100*
Jan. 11, 1934 CARINTHIA
140 days—$1700*
Jan. 14, 1934 RESOLUTE $1700*

Fortnightly PRESIDENT STEAMERS
2 yr. limit—$749
(Unlimited stopover privileges)

**Shore excursions included.*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ous biography, "Dostoevsky." It should be read in connection with "Memories of Lenin" by Krupskaya, Lenin's widow, recently published by International, which concentrates on the routine, tedious and heart-rending difficulties of the revolutionist's career. Krupskaya writes in a simple and matter-of-fact style, and by no means answers the questions which Lenin's career suggests, but she does give a vivid picture of a man completely absorbed in the revolution, working tirelessly, constantly analyzing his own policies and those of his enemies, living under an unrelaxing vigilance. The discipline stands out in sharp contrast to the disorder which Mr. Carr describes in the life of an earlier revolutionist, and suggests how much more a career of this sort now demands, how much more intense, in other words, the struggle has grown.

Revolutionists seem to be occupying the imaginations of the biographers. There is Denis Gwyn's "De Valera" (Dutton) and Albert Mordell's "Quaker Militant: John Greenleaf Whittier," (Houghton Mifflin). It is something of a surprise to learn that Whittier was so actively engaged in the most unpopular politics of his time, and that De Valera was so closely identified with the Irish revolution. Both biographies provide a great many facts, but neither gives a clear picture of the subject; the politician and the poet both tamed down too rapidly to be really interesting.

●

Occupations

(*Continued from page* 4)

The growth of the advertising industry during the 20's was especially rapid and far-reaching. As a profession advertising attracted thousands of workers, many of them from other professions, such as law, engineering, education, the fine and graphic arts, literature, scientific research, and journalism. Their presence in the field, the nature of the work involved, and the relatively high remuneration paid to all workers, combined to attract more and more men and women to the field. Universities and colleges gave courses in advertising, Harvard University, Columbia University, New York University, and others of their size and importance, gave courses in advertising which had previously been offered only by such institutions as Alexander Hamilton Institute, the International Correspondence Schools, and the Y. M. C. A.

Before 1929 the candidates for occupations in advertising became numerous, both among the qualified and the unqualified. It is true that new developments within the field created new opportunities for some of them. The advent of radio and the discovery of broadcasting as a new medium created many new occupations and opportunities. These occupational opportunities are not as a rule open to those who were "educated" for the field in which they occur, but more often are filled by men and women coming from other fields and having ideas and background especially suited to the work involved. For instance, journalists, and men and women who have created and produced entertainment, were considered especially qualified for many kinds of work created by the advent of the radio. Developments within the field itself indicate, as a rule, the occupational possibilities. For instance, advertising agencies today give more attention to product research than they did several years ago. Product research, they have found, may not only result in creating a new use for an accepted product, or a new by-product, but in creating or sustaining an account for the agency conducting the research. New occupational opportunities are growing out of the development of radio broadcasting, a relatively new medium in advertising. When the radio first became a medium very little was known about certain technical details, such as coverage and rates. Now radio broadcasting chains and radio departments in advertising agencies have many case histories in the use of the air as a medium. These records are being studied and the findings used as a guide to purchasers of the air. Thus a new occupation similar to investment analyst is being created.

●

Trade News

Industrial and commercial organizations must keep and be kept informed of trade matters. This necessity will revive many of the former, or languishing, trade and business publications, and provide a field for new journals. Within the month in New York four such publications have been organized for the purpose of disseminating trade news, two of them in the brewing industry.

New England CONSERVATORY OF MUSIC
Director Wallace Goodrich BOSTON General Manager Ralph L. Flanders

Two Billion Dollars Spent Annually in Enterprises based on Music.

For 61 years the New England Conservatory of Music has educated thousands of young people for a career in Music. Complete courses leading to degrees, or Special courses in any branch of Music. Fall semester, September 21. Catalog on request. (Dept. OA.)

THE GREAT AMERICAN FLEET IN THE MEDITERRANEAN

26 De Luxe MEDITERRANEAN Cruises Annually to
SPAIN · FRANCE · ITALY
EGYPT · PALESTINE · SYRIA
43 DAYS INCLUDING SHORE EXCURSIONS $595
NEW Turbine Liners (16,000 Tons Displ.)
EXCAMBION EXCALIBUR
AUGUST 8 SEPTEMBER 5
EXOCHORDA EXETER
AUGUST 22 SEPTEMBER 19
and fortnightly thereafter
GIBRALTAR, PALMA, MARSEILLES, NAPLES, $160
Without Change of Ship to
ALEXANDRIA, JAFFA, HAIFA or BEIRUT, $230
Complete ROUND TRIP, $460
All outside amidship rooms—shower and bath—verandas—a la carte service included—stop-over privileges.
New Direct Service to or from PALMA
Mallorca, Balearic Isles..... $160
Barcelona, via Palma..... $165
Ask your travel agent about our direct, exclusive, first class service to Rome and the Holy Land
VAGABOND CRUISES
less than $5 a Day by large freighters
Greece, Turkey, Roumania, France, Italy, Morocco, Algeria, Tunisia
AMERICAN EXPORT LINES
9th Floor, 25 Broadway, N. Y.
NEVER SO INEXPENSIVE
FIRST CLASS ONLY NO SECOND NO THIRD

BOSTON
on either side of Copley Square
THE HOTEL
LENOX
THE HOTEL
BRUNSWICK
Single $2-$4.50 » Double $3.50-$7
L. C. PRIOR, Pres.

MARBLEHEAD, MASS.
THE LESLIE
A quiet, cozy little House by the sea. Now open. Private baths. Descriptive booklet. 29th season.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NEW OUTLOOK CLASSIFIED ADVERTISING

Complete information and rates sent upon request. Please address: New Outlook Classified Advertising, 515 Madison Avenue, New York City.

VACATIONS

MONTANA

A DUDE RANCH VACATION
Is inexpensive, low in cost and full of adventure. After you visit the Chicago Fair, come to the wide open spaces. *For rates and full particulars write*
MILL CREEK RANCH
(In the heart of the Rockies)
Livingston, Montana

MAINE

THE RIVERSIDE
AND COTTAGES
OGUNQUIT, MAINE
A thoroughly modern homelike hotel situated on the shore of Perkins Cove, in the center of Artist Colony. Private bath and running water in rooms. Vegetables and dairy products from our farm daily. Golf, tennis, bathing and fishing. Reasonable rates. Apply to A. L. STAPLES.

THE HOMESTEAD, Bailey Island, Maine
In Casco Bay, facing open sea. Rocky coast, surf, spruce woods, water sports, tennis. Golf at Brunswick. Reached by steamer or motor. June 24-Sept. 15. Illustrated Booklet.

MASSACHUSETTS

CAMP MORSE FOR ADULTS LEE, MASS.
On Goose Lake in Berkshire Mts. Altitude 1700 ft. Outdoor sports; Cabins; Electric light; Artesian Well; Famous for good cooking.

CONNECTICUT

The WESTPORT INN, Westport, Conn.
Easeful living at moderate rates. 15 minutes from Compo Beach. Spacious Grounds, airy, immaculate rooms. Cuisine in charge of a competent Chef. Open all the year. Your inspection is earnestly invited. Phone 3826.

NEW YORK

MAPLEHURST IN CAYUGA COUNTY
High altitude. Large airy rooms. Excellent table. Home cooking. Spacious grounds. Bath. Radio. Chicken, eggs, milk, vegetables from own farm. Booklet. Tel. 1172, Hannah C. Buckley, R. D. 3, Moravia, N. Y.

VERMONT

RESTFUL COUNTRY VACATION; pleasant modernized large farm-home; beautiful lawns with sun and shade; facing wonderful panoramic view of Green Mts.; outdoor comforts specialty, artistic swimming-pool; $18. Booklet.
Dillingham Inn, Danby, Vt.

PENNSYLVANIA

Woodleigh Farms, Towanda, Pa.
Hotel appointments. Entirely modern. Vacation or permanent. Owner trained nurse. Life among gorgeous hills. Alleghany mountains, quiet; accessible, on Lehigh Valley R. R., and just off U. S. Highway 6. Booklet.

TOURS

FAMILY TOURS
SOMETHING NEW IN TRAVEL
Special rates for groups of 3 or more in party. Travel independently South America or Europe. Write for full particulars. Box 7C, NEW OUTLOOK.

INSTRUCTION

ACADEMY of ST. JOSEPH
Brentwood, Long Island, N. Y.
BOARDING SCHOOL FOR YOUNG LADIES
Preparatory Collegiate
Affiliated with the State University
BRENTWOOD as the capital of the Pine Region is delightfully situated in the center of Long Island. Pine Park, its garden spot, is known as Saint Joseph's in the Pines. It has long been conceded that the remarkable healthfulness of Suffolk County is in a great measure due to the beneficial influences of its far-extending groves of pines. Brentwood may be reached by train from Pennsylvania Station, New York; Flatbush Avenue, Brooklyn, and from Jamaica, Long Island.

The Mason School for Girls. Junior College, College Preparatory, Vocational Courses.
The Castle
Box 500, Tarrytown-on-Hudson, N. Y.

Alviene SCHOOL OF THE Theatre
40th Year. Graduates: Lee Tracy, Peggy Shannon, Una Merkle, Fred Astaire, Zita Johann, Mary Pickford, Alice Joyce, etc. Drama, Dance, Musical Comedy, Opera. Teachers courses and personal development Culture. Stage, Talking Pictures, Broadcasting teaching and play directing. Appearances while learning. Alviene Theatre and Student Stock Players. Write Sec'y Loree for catalog, 66 West 85th St., New York.

FORK UNION Military Academy, Box 10, Fork Union, Va.
Honor school. Small classes. Accredited. ROTC. Supervised study. Prepares for college or business. Highest standards. Junior school for small boys. Housemother. All athletics. Swimming. Catalog Dr. J. J. Wicker.

$141.00 MONTH: Men 18-45. Get Afterdepression Government Jobs. Particulars free. Write immediately. Franklin Institute, Dept. N18, Rochester, N. Y.

Patron of Arts wanted: to help young woman continue musical studies. Full information, references from former teacher. Box 8E, NEW OUTLOOK.

SITUATIONS WANTED

WOMAN OF MUSICAL EDUCATION, culture and attractive personality wants position as companion, hostess or governess. Box 7A, NEW OUTLOOK.

NURSE, ALSO MEDICAL GRADUATE, healthy, kindly, cultured, desires position invalid, aged or housekeeping. Moderate salary. Box 7B, NEW OUTLOOK.

GRADUATE REGISTERED NURSE wishes position with invalid on salary. New York or New Jersey, personal interview if possible. Box 8B, NEW OUTLOOK.

WOMAN CULTURED—companion—nurse—experienced—adaptable—drives car—speaks French—will go anywhere. Box 8A, NEW OUTLOOK.

EXPERIENCED KINDERGARTNER AND GRADE TEACHER will take charge of a family of children or will tutor. Best of references. Box 8C, NEW OUTLOOK.

CULTURED, EDUCATED, YOUNG SOUTH CAROLINA WOMAN desires position as governess or companion. Box 8D, NEW OUTLOOK.

MISCELLANEOUS

Present activity in Canadian Mining requires more than ever
ACCURATE REPORTS
Single Report $3.00. Group of 3—$6.00.
Yearly service, price on application.
We solicit your enquiries about our service.
Mineral Investment Service
302 Dovercourt Road, Toronto, Canada
(We are not brokers)

INCORPORATE YOUR BUSINESS
Liberal Delaware State laws. Many advantages. Low cost. Write Today. Free details.
CORPORATION FISCAL CO., INC.
900 Market Street Wilmington, Del.

ANALYSIS

PARENTS
Parents usually want to know what the latent qualifications of their children are to prepare them for their Life's Work. Consult John R. Bremmer, Ph.D., 18 East 48th Street, New York City.

HANDWRITING analysis gives a personal inventory. Send writing. Analysis $2.00. Miss Florence Lyon, Box 286, Quincy, Mass.

CHARTS

YOUR HOROSCOPE, CAREFULLY DELINEATED. Full information sent on request. Established 1900. F. HYATT SMITH, Ph.D., Box 102, Buffalo, N. Y.

NEW YORK SHOPPING SERVICE

DEPENDABLE PROMPT SHOPPING SERVICE, no fee, highest references. Hattie Guthman, 530 West End Ave., New York.

NURSERIES

Tree Peonies, finest named varieties. Herbaceous Peonies, best varieties. Reduced prices. Oberlin Peony Gardens, Sinking Spring, Pa.

RARE CACTUS PLANT, $0.25. Collection different species, $1.00 postpaid. Geneticists can't improve beauty of their flowers. South-west Desert Products, P. O. Box 58, San Antonio, Texas.

BOOKS

READ RARE BOOKS

Members read without buying rare, scarce, out-of-print books; limited, privately printed editions, unexpurgated translations. Write for information giving age and occupation.
ESOTERIKA BIBLION SOCIETY
Dept. NO 15 East 45th Street, New York

20% DISCOUNT 500,000 CHOICE BOOKS
Catalogue Free...Mention New Outlook.
SCHULTE'S BOOK STORE, INC.
80 Fourth Avenue, New York City

Use the NEW OUTLOOK classified columns for advertising— Situations Wanted . . Real Estate Offerings . . Vacations . . Instruction . . Books . . Stamps and Coins, etc.

Complete information and rates upon request. Please address: New Outlook Classified Advertising, 515 Madison Avenue, New York City.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Law!

STUDY AT HOME

We guide you step by step—furnish all text material, including fourteen-volume Law Library. Training prepared by leading law professors and given by members of the bar. Degree of LL.B. conferred. Low cost, easy terms. Get our valuable 64-page "Law Guide" and "Evidence" books free. Send for them NOW.

LaSalle Extension University, 8388-L Chicago

CIVIL SERVICE

VALUABLE INFORMATION FREE
COLUMBIAN CORRESPONDENCE COLLEGE, WASHINGTON, D. C.

1933 *New Revised and Improved Edition*

The Greatest "How To Do It" Book in the World

Actual size 6 x 9, 800 pages.

"The University of New York in selecting the 'Best Fifty Books issued during the Year,' included as a reference book, 'Henley's Twentieth Century Book of Recipes, Formulas and Processes'."

—N. Y. University.

10,000 TRADE SECRETS and Money Making Formulas

HOW TO make all kinds of Adhesives and Alloys; Anti-Freezing Solutions; Beverages—all kinds; Cement Fillers; Cleaning Preparations; Cosmetics; Dandruff Cures; Dentrifices; Dyes; Essences and Extracts of Fruits; Freezing Mixtures; Insecticides; Lacquers; Lubricants; Ointments; Paints; Perfumes; Polishes; Varnishes; Waterproofing; Weights and Measures. Thousands of **practical, tested** methods for doing things.

SENT C.O.D.

Send postal card requesting this book. We will ship C.O.D. $4.00 plus charges.

DIGEST PRESS
515 Madison Avenue New York City

LEARN SECRET OF YOUR INNER POWER

Do you want to increase your earning power and make your visions of achievement, health and happiness COME TRUE? Then learn the secret of contacting and directing a strange Inner Power, which YOU possess, so dynamic and forceful that it can bring you complete fulfillment of your ideals and ambitions. A remarkable 5000-word Lecture just compiled, "Key to Your Inner Power" reveals the Seven Steps to Success and gives the Key which can unlock the reservoir of vast riches now lying dormant within YOU. It proves that this power is not limited to a fortunate few, but is latent in every human being, and explains how you may receive this new and revolutionary teaching in the privacy of your own home. A copy of "Key to Your Inner Power" will be sent FREE to sincere men and women who wish to learn the secret of beginning life ANEW. Address Psycho-Logic Institute, Box 98, Dept. K, San Diego, California.

FREE
"Key to Your Inner Power"

Travelling with News

(*Continued from page* 5)

style of living much less hurried than the frenzied pace of North American cities; yet it is a gay city, touched with the cosmopolitan atmosphere of European capitals. It offers theatres, night clubs, horse racing, excellent hotels and the beautiful gambling casino at Cocacabana Beach.

Sao Paulo, a city 2,500 feet above sea level, is but a few hours by train from Rio. This city of palaces is the coffee center of the world, a vortex of business activity, yet retaining the subtle air of fine living that pervades Brazil. Santos, one of the most important seaports of South America, from which are shipped millions of pounds of coffee each year, is not only a great commercial center, but also a delightful vacation retreat. Its famous pearl white bathing beach is only a short distance from the city. The quaint monastery on the summit of Monte Serrat offers opportunity for a real old world-type pilgrimage.

In the long ago, some mariner from the deck of his ship peered through the glass toward the coast line of South America, and said, "I see a mountain," and there came into being the name of another great South American city, Montevideo. Here the Spanish atmosphere pervades. Montevideo boasts Porcitos, the South American Riveria, a beach reminiscent of the Lido or Deauville. There is here also a casino rivaling that of Monte Carlo. The Uruguayan is a great sportsman, and all sports are liberally provided for the visitors' pleasure.

At the end of the rainbow and of regular steamship and air lines from the United States is Buenos Aires, the capital city of Argentina. It is a grand city of two and a half million people, the Paris of South America where the Spanish Old World merges with North American progress. Buenos Aires is famed for its cultural and social attainments. The stars of the American and European operas sing here each season. At Buenos Aires there is every form of recreation from aquatic sports at Tigris, to racing thoroughbreds at Palermo. Buenos Aires is graced with lovely public buildings, splendid avenues of smart shops; offers fascinating excursions to such delightful spots as Cordova, Mendoza, and up the Parana River to Iguaz Falls.

Turning to the west coast the travel-

GOOD CONVERSATION is based on GOOD INFORMATION

*

And what a delight to the participants! A few hours of well-chosen reading each month will supply one with good conversation information.

*

May we suggest a subscription to NEW OUTLOOK? It's packed with pertinent, live information about the things intelligent people are talking about today!

NEW OUTLOOK
515 Madison Avenue
New York City

Please enter my subscription to NEW OUTLOOK
for one year ($3) .....
for two years ($5) .....
Payment is attached ..... Bill me .....

NAME .....
STREET .....
CITY .....

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ADVERTISERS' LITERATURE SERVICE

The listing below reports the various booklets, brochures and descriptive information available from NEW OUTLOOK advertisers. For your convenience we have prepared the coupons below. Simply indicate by number which of these items you are interested in. We shall have them sent to you immediately.

TRAVEL + + +

1. ALL YEAR CLUB OF SOUTHERN CALIFORNIA, LTD.—Free illustrated book giving complete details (including costs) of a Southern California vacation.

2. AMERICAN AIRWAYS—For complete data on air lines from coast to coast and from Canada to Mexico.

3. AMERICAN EXPORT LINES—Rates and sailing dates for regular services to Mediterranean Ports, Vagabond Cruises.

4. BERMUDA TRADE DEVELOPMENT — Booklet giving general and specific information on hotels and transportation lines from the Eastern Seaboard.

5. CHICAGO, DULUTH AND GEORGIAN BAY TRANSIT CO.—Literature on Cruises on the Great Lakes.

6. CUNARD STEAMSHIP CO., LTD.—Literature on pleasure cruises to all parts of the world in season.

7. DOLLAR LINE—Descriptive booklets on Cruises to California via Havana and Panama.

8. MILL CREEK RANCH—Full particulars for a vacation on a Dude Ranch.

9. GERMAN TOURIST INFORMATION OFFICE—Write for booklet No. 23 on the Wagner Festival Year celebrated in Germany.

10. GRACE LINE—Literature on excursions to Havana, Panama, Spanish Americas and Mexico.

11. HAMBURG AMERICAN LINE—Descriptive literature on tours through Northern Wonderland and Russia.

12. INTOURIST — Complete information for travel in Russia.

13. MAYFLOWER HOTEL, Plymouth, Mass. Send for circular and colored airplane view.

14. MUNSON SS LINE—Complete Information on New Low Cost All-Expense Tours to South America.

15. NORTH GERMAN LLOYD—Rates and information for cruises and regular services on the fastest transatlantic line.

16. NEW ENGLAND RESORTS AND HOTELS—Booklets and descriptive literature on various vacation spots.

17. SANTA FE RAILWAY—Send booklets and NEW VACATION FARES LEAFLET.

18. TRANSATLANTIC STEAMSHIP LINES—Send without obligation free booklet, "This Year of All Years."—All about travel to and in Europe.

19. TRAVEL GUILD, INC.—Write for booklet "E"—all-expense tour, Europe, six countries.

20. UNITED STATES LINES—Full information and sailing dates on this American line for Ireland, England, France or Germany.

21. HOTELS LENOX AND BRUNSWICK in Boston—descriptive literature and rates.

22. HOTEL LESLIE, by the sea (Mass.) send descriptive booklet.

23. PAN AMERICAN AIRWAYS—Literature on air mail, passenger and express service to Central and South America.

+ +SCHOOLS + + +

24. ACADEMY OF ST. JOSEPH—(Long Island). Full information on this Boarding School for Young Ladies.

25. ALVIENE SCHOOL OF THE THEATRE —Free catalog describing subjects taught.

26. THE CASTLE—The Mason School for Girls (On the Hudson). Booklet and information Junior College, College Preparatory and Vocational Courses.

27. COLUMBIAN CORRESPONDENCE COLLEGE—Valuable information free on Civil Service.

28. FORK UNION MILITARY ACADEMY—Send catalog giving full description of this school for boys.

29. FRANKLIN INSTITUTE—Write for free 32-page book giving list of U. S. Government jobs and full particulars telling how to get them.

30. LASALLE EXTENSION UNIVERSITY—64-page "Law Guide" and "Evidence" books free. Information on Study of Law at home.

31. NEW ENGLAND CONSERVATORY OF MUSIC, Boston. Send catalog describing courses.

32. NEWSPAPER INSTITUTE OF AMERICA —Send for free "Writing Aptitude Test" and further information about writing for profit.

33. NEW YORK MILITARY ACADEMY—Descriptive booklet on this school of distinction for boys.

34. PASADENA COMMUNITY PLAYHOUSE SCHOOL OF THE THEATRE—Information on Summer Session for teachers and directors.

35. UNIVERSITY OF CHICAGO—Free booklet describing Home-Study Courses based upon the University of Chicago's new plan of education. Over 400 courses.

+ + BOOKS + + +

36. E. P. DUTTON & CO.—Send for latest list of Everyman's Library Books, containing world's classics.

37. ESOTERIKA BIBLION SOCIETY—Information on library of rare, scarce, out-of-print booklet. Interesting Origins of English Words.

38. ROSICRUCIAN BROTHERHOOD — Free book, "The Wisdom of the Sages," will be sent to sincere students of the teachings of the Rosicrucians.

39. MARGERY WILSON—Booklet on Learning to be Charming and "Charm Test" sent free.

+ + FINANCIAL + + +

40. JOHN HANCOCK MUTUAL LIFE INSURANCE CO.—Send booklet about the John Hancock Retirement Fund Policy.

41. PHOENIX MUTUAL LIFE INSURANCE CO.—New book free, "The Phoenix Mutual Retirement Income Plan."

42. UNITED BUSINESS SERVICE—Send for Bulletin Free, Outlook for Business and Security Markets during the next few months.

43. A. W. WETSEL ADVISORY SERVICE—Send for booklet "How to protect your capital and accelerate its growth—through trading."

+ + MISCELLANEOUS + + +

44. FRIGIDAIRE—Booklet giving complete details on air conditioning system.

45. NEW YORK SHOPPING SERVICE—Write for full particulars.

46. PITCAIRN AUTOGIRO—Full descriptive literature upon request.

47. TEUTONOPHONE—Free booklet explaining radio hearing device for the hard of hearing.

48. W. F. YOUNG, INC.—Write for free sample Absorbine Jr.

49. THE WATSON COMPANY—Book illustrating Lovely Lotus Sterling Flatware and giving prices.

PLEASE NOTE: **When sending numbers by letter or postcard please mention that this listing appeared in the August NEW OUTLOOK.**

NEW OUTLOOK ADVERTISERS' SERVICE
515 Madison Avenue, New York City.

Kindly send me literature indicated by these numbers.....

.....

Write name and address..... 8-33

ers' first main attraction will be a trip up to Quito, both the ancient and present capital of Equador. Three hundred miles by rail from the bustling port of Quayaquil, the traveler climbs 9,500 feet to find Quito lying in a valley surrounded by wonderful snow-covered volcanic peaks, most famous of which are Chimborazo and Jotopoxi reaching up to 20,000 feet.

Quito, along with Mexico City and Cuzco, are three cities which enjoyed a flourishing civilization long before the time when Cortez and Pizarro set foot in them. A few hundred miles further south is Lima, Peru's capital city situated a few miles inland from Callao its seaport. This jewel-like City of Kings—built by Pizarro with the "room-full of gold" wrung as ransom from the hapless Inca monarch—is decidedly Spanish in tone.

Residences in Lima are low, chimneyless structures with carved balconies and grilled windows. Streets in the shopping district are arched over with portals above which are apartments and clubs. In the heart of the city is the old Moorish square, the Plaza de Armas, around which Pizarro centered his capital—and beautiful Spanish cathedrals and palaces that reflect the almost oriental splendor of the city's early history. For diversion Lima offers one of the world's largest bull-rings, up-to-date hotels and smart restaurants with dining and dancing Spanish style, a Jockey Club that puts on thrilling races, the finest country club in South America and attractive beach resorts.

●

South America also, has its popular rendezvous for the globe-trotting intelligentsia. It is a rambling, flower-covered Inn at Arequipa in the mountains of Peru, a city of lovely old Spanish buildings, colorful Indian life and ever-blooming flowers—resting in the 20,000 foot shadow of "The Gentleman" Mt. Misti. In this inn, known as Quinta Bates, "Tia" Bates, as she is affectionately called by her guests, entertains writers, artists, stars of the stage and screen, statesmen and even royalty from all over the world.

Hospitable little towns with comfortable accommodations for visitors are scattered throughout even the most primitive sections of South America. Our sister continent is the perfect hostess, providing entertainment for all types of guests and the comforts so essential to a happy visit.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED